

2024

CARD MBA

INTEGRATED ANNUAL REPORT

ROADMAP TO 2030: Innovating the Way to Poverty Eradication





ABOUT THE COVER

Innovation is at the heart of CARD MRI's commitment to finding better ways to serve communities in need. The theme, "Innovating the Way to Poverty Eradication", reflects our mission to make financial services and community development programs more accessible and impactful.

A pedicab on a bamboo raft, steered by a boatman, symbolizes the daily journey of Filipino families, carrying their dreams while navigating life's challenges. The pedicab reflects the hardworking spirit of microentrepreneurs; the raft, CARD MRI's steady support.

Another image shows a woman rowing toward a farmer, both lit by the rising sun. The image highlights the strength and perseverance of those striving to provide for their families. The sun ray represents the hope and opportunities that CARD MRI brings, illuminating the path toward progress and prosperity.

At CARD MRI, we believe that poverty eradication is not just about the destination; it is about the journey we take together, the lives we uplift, and the future we build, one step at a time.



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CARD Mutual Benefit Association (CARD MBA), Inc. serves as a vital safety net for marginalized and low-income communities by providing accessible microinsurance solutions that help build resilience in times of crisis. It offers life insurance and a variety of optional microinsurance products to clients of CARD, Inc. (A Microfinance NGO), CARD Bank, Inc., CARD SME Bank, Inc., and CARD MRI Rizal Bank—reaching over 7.4 million individuals across the country.

CARD MRI
We Are In The Business of Poverty Eradication.

CARD NGO

CARD MRI International Partnership Projects and Institutions

CARD Banking Group

CARD Bank
CARD RBI
CARD SME BANK

CARD Financing Group

TPC
BAKAWAN

CARD Information Technology Group

CMIT
BAKAWAN

CARD Insurance Group

CaMIA
CARD MRI Insurance Agency
CARD MIRA

CARD Health Group

BotiCARD Pharmacy

CARD Support Services Group

CARD MRI PROPERTY MANAGEMENT INC.
CARD MRI PCPD

CARD Marketing & Retail Group

LIKHA
CARD IND GROSIR

CARD Education & Communications Group

ASTRO LABORATORIES
LAGUNA FRESH
PUBLISHING HOUSE

CARD Investment Group

HIJOS TOURS
Benta PRODUCTIONS

CARD MRI Holding Companies



VISION & MISSION

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.

MISSION

- To promote the welfare of marginalized sectors of the Philippine society and to other sectors as maybe determined by the Board;
- To extend financial assistance to its members in the form of death benefits, medical subsidy, pension and loan redemption assistance;
- 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;
- To adopt a prudent cash management program to invest all cash in excess of current disbursement through a majority vote of its Board of Trustees.

CORE VALUES

The core values of CARD MBA—competence, family spirit, integrity, simplicity, humility, excellence, and stewardship—serve as the foundation of its work. These principles guide how CARD MBA serves its members, supports its people, and builds stronger communities. With these values at its core, CARD MBA continues to move forward with hope, purpose, and a deep commitment to ending poverty.

ompetence

CARD MBA boosts staff competence through continuous training, fostering a culture of integrity, transparency, and excellence. It instills values like honesty, discipline, and hard work in a respectful environment.

amily Spirit

CARD MBA fosters a family spirit, creating lasting relationships with employees, clients, and members. Its staff is deeply committed to the social and economic development of clients and their families, even at the cost of personal sacrifices.

ntegrity

The strength of CARD MBA in eradicating poverty lies in its honest, ethical, and sincere operations. Leaders motivate members to uphold trust and fairness, holding everyone accountable for the performance of the organization and its staff.

implicity

CARD MBA serves the marginalized sector, where deprivations are widespread, and values simplicity to avoid isolating members. This approach helps staff better understand and align with the organization's goals of empowering people.

umility

True humility at CARD MBA means treating everyone as equals, focusing on improving the lives of the less fortunate. Staff are encouraged to celebrate successes quietly and be in tune with the needs of members.

xcellence

CARD MBA's success stems from its leaders and staff constantly innovating to help socially and economically challenged families. Its drive for continuous improvement is reflected in the motto, "Up to the next level."

tewardship

Sustainability is achieved through effective resource management, as resources fuel the organization and must be handled with care. CARD MBA must uphold the highest standards of stewardship for financial, human, and institutional resources entrusted by members, staff, and stakeholders.

BUSINESS MODEL

OUR CAPITALS



FINANCIAL

We continue to grow our financial strength as we expand our reach nationwide. This reflects in our growing number of insured members and their families.

- Total Assets: **PhP41,497,186,888.89**
- Total Fund Balances: **PhP 10,145,136,038.69**



HUMAN

Our committed staff are equipped with the skills and knowledge they need through exposure to different workshops and training, both locally and internationally.

- Employees: **667**
- Employees Attended Trainings (%): **76%**
- Employees Underwent Annual Physical Exam: **440**



SOCIAL & RELATIONSHIP

We have earned the trust of our members and partners by ensuring accessible and reliable services

- CARD MBA Affiliates: **3**
- BOAT Partners: **14**
- Individuals Insured by BOAT Partners: **39,387**



NATURAL

We actively support environmental sustainability through green investments and ecological initiatives.

- Allocated Funds in Green Investments: **PhP 104 million**
- Trees Planted: **8,710**
- CO₂ offset: **209.4 tons**



MANUFACTURED & INTELLECTUAL

We strengthen our operations through modern infrastructure and digital tools, enabling faster and broader service delivery. We also promote paperless transactions through the CARD Microinsurance System (CMS), chatbot, and Panatag Ka mobile app.

- Members Served Nationwide: **7,854,713**
- Provincial Offices: **94**
- Digital Platforms: **2**
- Users Across All Platforms: **79,788**

THE VALUE WE CREATE



EMPLOYEES

We invest in our people by providing an environment that supports growth, innovation, and career development.

- Employees received performance and career development reviews: **100%**
- Average training hours per staff: **23.5 hrs**



GOVERNANCE & COMPLIANCE

We uphold transparency and contribute to the economy by maintaining compliance with government regulations.

- Investments in government securities: **79%**
- Regulatory remittances: **PhP 44.6 million**



MEMBERS & COMMUNITIES

We help uplift the lives of our members and their families through microinsurance and community development programs.

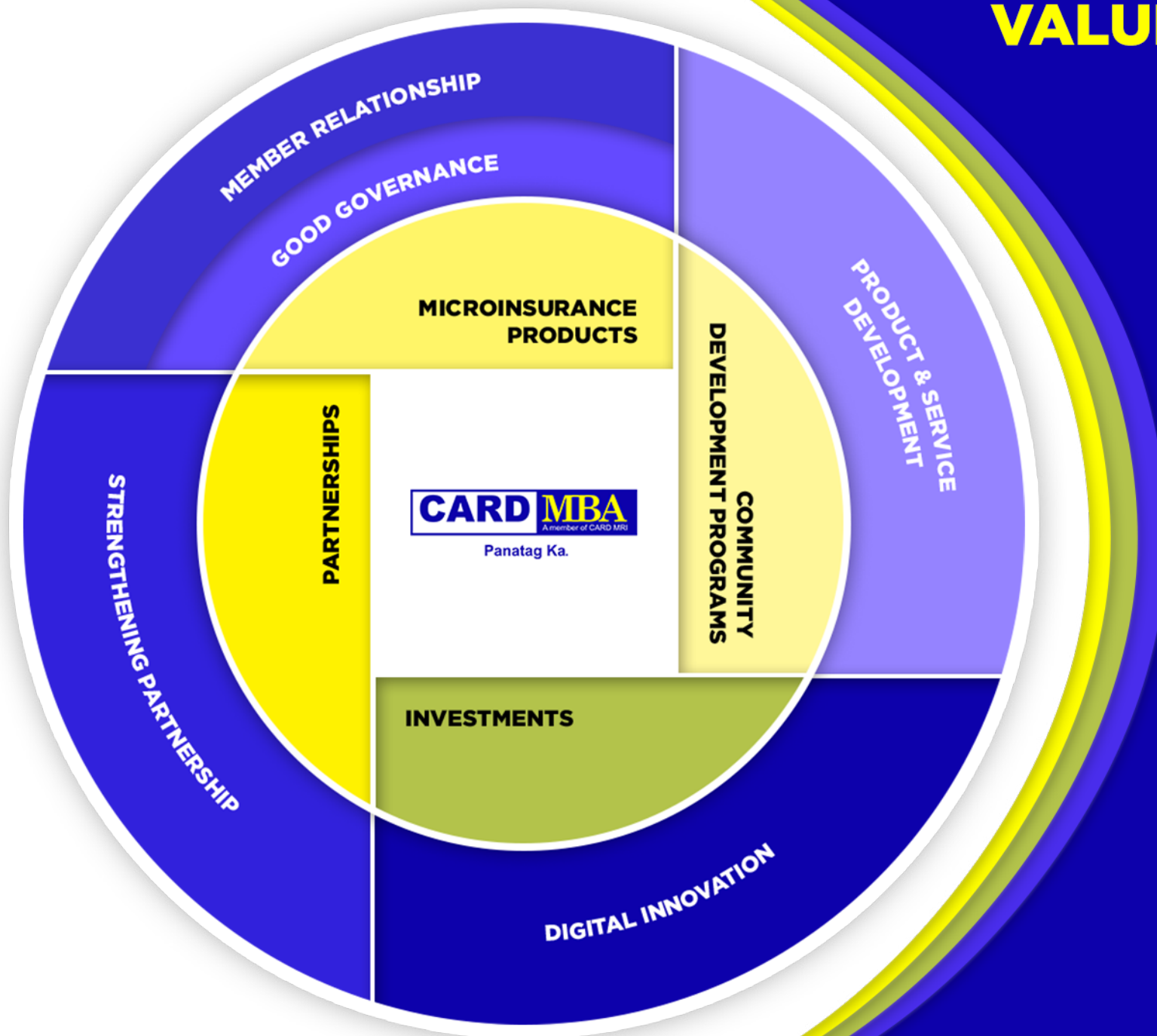
- Couples participated in mass weddings: **23**
- Members received relief assistance: **696,321**
- Share in MBA industry-insured individuals: **82%**
- Share in microinsurance industry-insured individuals: **46%**
- Members joined leadership and capacity-building activities: **362**

VALUE CREATION

HOW WE CREATE VALUE BUSINESS OPERATIONS



STRATEGIES



SUSTAINABILITY STRATEGY

RESPONSIBLE INSURER

Integrate sustainability in operations
Promotes nation building

RESPONSIBLE INSURER

Promotes eco-friendly activities
Paperless transactions
Environment sustainability



Back to Basics, Forward to Innovation: Paving the Way to a Poverty-Free Future

Dr. Jaime Aristotle B. Alip
CARD MRI Founder and Chairman Emeritus

Looking back at the humble beginnings of CARD, I recall how far we have come and how much we have achieved, not only as an institution but as a community of individuals who shared the same vision: to empower those who needed it most, to provide opportunities for those who had none, and to enable people to overcome the confines of poverty. I recall when our journey began with a handful of passionate people who felt the world could be a better place where no one would be left behind. From there, we took on a mission that once felt overwhelming but became our beacon of hope—assisting the underserved in realizing their dreams step by step.

We began small with a single mission—serving people experiencing poverty through microfinance. We aspired to create a system that would bring lasting change. But as we progressed, we understood that financial services were insufficient. We had to engage more intimately with our clients, learn about their needs, and provide a comprehensive solution to community development. And so, we grew. We transformed. We learned. And in doing so, we learned that true change starts not with the financial products we provide but with the relationships we form and the trust we gain from the people we serve.

It has not been simple. There were roadblocks along the way—obstacles that seemed insurmountable. But with every failure, we grew stronger. Our desire to help others only intensified. We stuck to our cause and understood that what we were doing was far from complete. Persevering, we developed what we now have: an interlinked web of institutions and programs that make a difference to millions of lives. What started as an endeavor to get financial access underway became a movement to enable people to liberate themselves from poverty.

As we look back at the milestones we have achieved, I am filled with gratitude. But even as we bask in our triumph, we should keep our eyes on the road ahead. The journey is far from over. The road to eliminating poverty is long and arduous, but it is worth taking. The next chapter in this journey is all about innovation.

This year, our theme, “Road Map to Innovating the Way to Poverty Eradication”, reminds us that we have to keep adapting. But as we peer into the future, we also need to keep in mind the basics that brought us to this point in the first place: a commitment to our values, a focus on relationships, and a determination to make a difference. As we innovate, we must ensure that we never forget the fundamentals. These values that have always directed us will continue to be our guide as we go forward. And in this new age of innovation, we must remain anchored in the basic principles that have brought us where we are today.

CARD Mutual Benefit Association (CARD MBA) has always been a pillar of support for the financial security and well-being of its members. From its modest beginnings, CARD MBA has grown to provide essential insurance services that protect the well-being of low-income families and small business owners. In 2024, CARD MBA expanded its reach, introducing new insurance products tailored to meet the evolving needs of its members, ensuring their resilience in times of crisis. The Association’s dedication to serving its members with integrity and care has significantly impacted many lives, promoting a culture of financial protection and security. As CARD MBA continues its journey, it remains focused on strengthening its services and contributing to the poverty eradication mission.

So, as we continue on our path toward poverty eradication, let’s not forget the things that truly matter. Let’s continue to work with integrity, build trust, and always remember the people we are working for. Our journey requires patience, resilience, and dedication. We have come so far, but we must continue moving forward. Together, we will create a better future for all.



Building on our Foundations for a Stronger Future

Mr. Aristeo A. Dequito
CARD MRI Managing Director

As we look back at what we have achieved and what we have learned, we are reminded that the path to poverty eradication requires constant evolution and change. The challenges we face are complex, and they demand innovative solutions. But as we look to the future, we must also recognize the importance of going back to basics. This year's theme, "Road Map to Innovating the Way to Poverty Eradication", explores new and better ways to achieve our mission. However, the core message is clear: before we innovate, we must return to the foundations that have always been our strength.

The "Back to Basics" campaign may be unconventional to many people, particularly when change and innovation are so much prized. But in reality, this is a call to refocus on the essential elements that have helped us succeed—elements that should never be overlooked in our pursuit of progress. Fundamentally, this reminds us that even as we adopt new technologies, new methods, and new concepts, the core values that have long guided our work— competence, family spirit, integrity, simplicity, humility, excellence, and stewardship—remain the pillars upon which everything we do should rest.

Returning to our roots is a chance to realign ourselves to the mission and values that have brought us this far. Through the years, we have rolled out numerous new services, programs, and solutions in response to our communities' changing needs. And though these innovations have been crucial in expanding our reach and impact, they are not an end in themselves. They are merely instruments—tools that aim to improve lives and eradicate poverty. And for these tools to matter, they need to be anchored in the values that have guided our organization all along.

Going back to basics also means revisiting the principles of financial inclusion and understanding the deep impact of our work on the communities we serve. The financial services we offer are only part of the picture. It is the trust we establish with our clients, the relationship we foster, and the care we show to enable people to change their lives. As we look to innovate, we must ensure that every new service and initiative is built with this understanding at its heart.

Getting caught up in the excitement of new ideas is easy, but it is essential to remember that innovation is most powerful when grounded in purpose. That is why this "Back to Basics" campaign exists. It reminds us to keep our eyes on what really matters—serving others, building lasting relationships, and maintaining our values of integrity. These things will always be central to what we do.

As we continue to innovate and adapt, we must remain focused on the values that have guided us from the beginning. We must continue to listen to our communities, understand their needs, and adapt our services to meet them in ways that truly make a difference. The road to poverty eradication is long and will not be without its challenges. But with the basics as our foundation, we can continue to move forward with purpose, confidence, and a clear vision of the future we want to create.



A Testament of Unwavering Support towards Communities

Ms. Jocelyn D. Dequito
Chief Executive Officer

At CARD Mutual Benefit Association, Inc. (CARD MBA), we see microinsurance as more than just financial support; it is a safety net that empowers families to rise above life's uncertainties and a powerful tool in our mission to eradicate poverty. As we move forward, we embrace innovation as a driver of progress while staying true to the values that define our service.

Through our microinsurance products and services, CARD MBA safeguards its members and their legal dependents from life-altering events such as accidents, hospitalization, and the loss of a loved one—challenges that can disrupt their livelihood. Our 8-24 Claims Settlement Strategy ensures that financial support

reaches members quickly, allowing them to focus on recovery and rebuilding. As of December 31, 2024, we successfully achieved a 97.29% success rate in settling claims within the 8-24 timeframe and disbursed Php 3,163,827,526.16 in claims, reaffirming our commitment to providing timely and reliable service.

Looking ahead to the Road Map to 2030, we are innovating the way to poverty eradication by strengthening service delivery and ensuring a seamless experience for our members from enrollment to retirement. A key initiative is the continuous enhancement of the Panatag Ka application, which will soon allow members to track their claims history and upload documents—a step toward self-service accessibility and efficiency.

To make our optional microinsurance products—such as the Basic Life Insurance Program Extension Plan, Golden Life Insurance Plan (GLIP) 50 and GLIP 100, Remitter Protek Plan, Family Security Plan, and AcciPlan—more accessible, we have integrated person-to-merchant QRPh transactions with konek2Pay via konek2CARD of CARD SME Bank. This innovation provides a secure and convenient digital payment method, allowing members to purchase products by simply scanning a QR code.

At the same time, we remain committed to going back to the basics—ensuring that beyond technology, we continue to strengthen personal connections with our members. While automation makes our services more efficient, we recognize that nothing can replace human warmth. We visit families in their most difficult times, offering not only financial relief but also emotional support. This family spirit, one of our core values, remains central to our approach.

In line with our commitment to inclusivity, CARD MBA is also preparing to establish a Takaful window operation to serve our growing Muslim membership. This initiative aligns our policies with Shari'ah Law and the directives of the Insurance Commission, ensuring that our services reflect mutual cooperation and ethical financial practices.

We recognize that our staff, coordinators, and member-volunteers play a crucial role in sustaining these efforts. Their dedication has been instrumental in our growth and in the trust we have built among our members. Because of their tireless service, we are honored to have received the Two-Golden Arrow Award from the Institute of Corporate Directors during the 2024 ASEAN Corporate Governance Scorecard awarding. This recognition strengthens our resolve to uphold good governance and continuously enhance our operations.

As we push forward, our mission remains clear: to provide microinsurance services to 80 million individuals in the next 10 years. By striking a balance between innovation and our back-to-basics approach, we ensure that our members receive the best of both worlds—efficient, technology-driven solutions and compassionate, community-based service.

Together, we are shaping a future where microinsurance is not just about protection, but empowerment. Through our continued efforts, we reaffirm our promise that no family will face life's uncertainties alone.



Embracing Families Until Their Golden Years

Ms. Deneglen C. Peñaflorida
President

Like a mother's warm embrace, CARD Mutual Benefit Association, Inc. (CARD MBA) covers its members under the blanket of protection from life's unpredictability. In times of sickness and health, in moments of joy and sorrow, we stand as a committed partner, ensuring that families are never alone in facing life's uncertainties. True to our mission of financial inclusion, we continue to innovate while staying grounded in the fundamentals of genuine service—a back-to-basics approach that prioritizes trust, human connection, and community-driven solutions.

The core value of family spirit shines brightest as we aim to provide families with security through CARD MBA's microinsurance products and services. Every policy we offer is more than just financial protection—it is a promise that no family will be left without support during life's most difficult moments. We understand that

financial security is not just about numbers; it is about safeguarding dreams, preserving dignity, and strengthening communities.

To enhance the protection we provide, we introduced optional insurance products designed to meet the evolving needs of our members. The Basic Life Insurance Program Extension Plan (BLIPex) ensures whole life coverage until age 100, allowing members to enjoy lifelong security. For those transitioning from BLIP, the Golden Life Insurance Program (GLIP) offers continued coverage from ages 70 to 100. Meanwhile, the Family Security Plan and AcciPlan provide additional safeguards against unexpected events, while the Remitter Protek Plan protects members who handle remittances for CARD MRI offices. These expanded benefits reinforce our commitment to keeping families protected at every stage of life.

Beyond financial assistance, we remain dedicated to fostering a strong support system for our members. The revival of mass weddings and the CARD MRI Disaster Relief Assistance Program (CDRAP) reflects our holistic approach to service. By facilitating mass weddings, we help members legally declare their spouses and children as dependents, ensuring that their families receive the full benefits of microinsurance. Meanwhile, CDRAP provides immediate relief to those affected by natural disasters, allowing them to recover with dignity and hope. These initiatives highlight our unwavering commitment to serving our members beyond insurance coverage.

Our work would not be possible without the dedication of our CARD MBA Coordinators, who serve as the bridge between our organization and the communities we support. They play a crucial role in educating members, facilitating claims, and extending assistance when it is needed the most. Their presence on the ground ensures that no family is left behind and that every individual understands the value of microinsurance in securing their future.

More than just processing claims, we make it a priority to visit families who have lost loved ones, offering not only financial support but also a heartfelt expression of empathy. We recognize that in times of grief, a strong community presence can make all the difference. This hands-on approach is the essence of our back-to-basics philosophy—ensuring that every service we provide is rooted in genuine care, understanding, and human connection.

With over 24 million individuals now insured under CARD MBA, we are encouraged by the growing awareness of how microinsurance strengthens financial resilience. More families are realizing that having a safety net empowers them to face life's uncertainties with hope rather than fear. This drives us forward in our mission to insure 80 million individuals in the next 10 years.

Our journey is about more than just numbers. Every policy issued represents a family given the assurance that they will not face life's hardships alone. Every claim processed is a promise fulfilled—a commitment that, in times of loss and difficulty, CARD MBA will always be there.

As we continue innovating the way to poverty eradication through financial security, we remain committed to our mission. We are not just protecting lives—we are nurturing a future where every Filipino family, no matter their circumstances, can move forward with confidence, dignity, and hope.

BOARD OF TRUSTEES

Ms. Deneglen C. Peñaflorida
President

Ms. Virginia M. Garcia
Corporate Treasurer

Ms. Marissa S. Florendo
Trustee

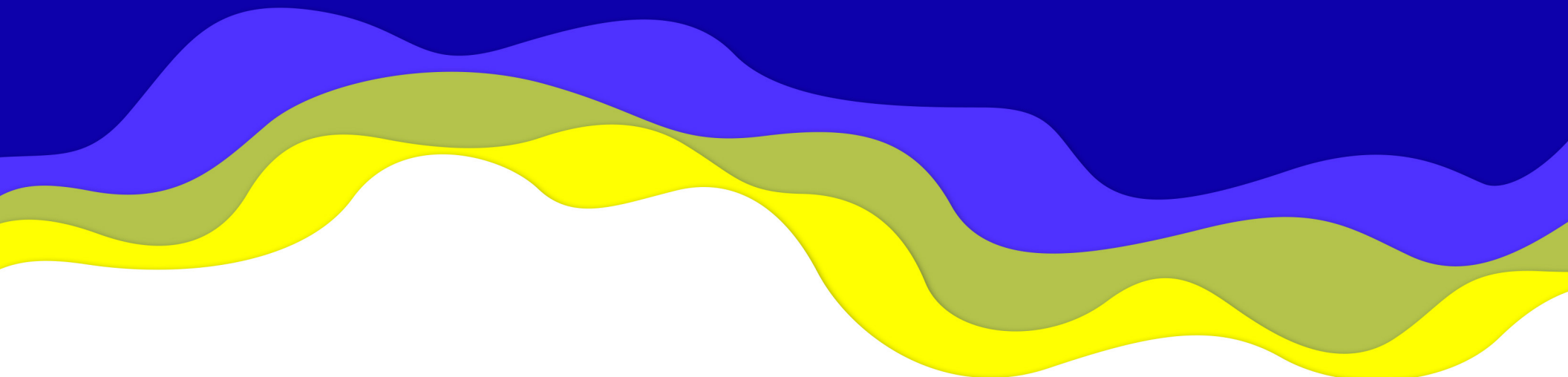
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Ms. Emily L. Bagares
Trustee

Ms. Baby Lita C. Mernilo
Trustee

Ms. Shirley S. Alejan
Trustee



Ms. Liezel J. Macoco
Trustee

Ms. Alma O. Gerladez
Trustee

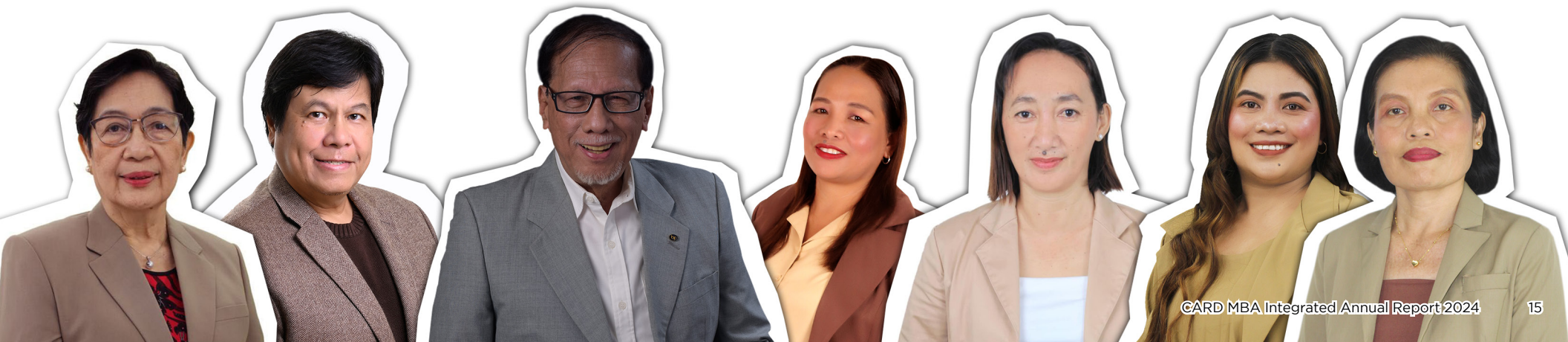
Ms. Vida T. Chiong
Independent Trustee

Mr. Rolando A. Robles
Independent Trustee

Ms. Maria Nilda C. Badiola
Trustee

Ms. Cathlea O. Imbing
Trustee

Mr. Francis M. Puzon
Independent Trustee



MANAGEMENT COMMITTEE



Ms. Jocelyn D. Dequito
Chief Executive Officer

Ms. Jennifer O. Redublo
Director for Compliance

Mr. Oliver M. Reyes
Senior Operations Director

Ms. Gina A. Nevado
Deputy Director for Operations

Mr. Roy P. Jabonan
Deputy Director for Operations

Ms. Janet D. Caneo
Director for Admin and Finance

Mr. Michael Kelvin N. Junos
Director for Actuarial Services

Mr. Mauricio B. Maur
Deputy Director for Operations

Ms. Janicekith N. Navera
Deputy Director for Operations

Ms. Nice C. Macalalad
Deputy Director for Operations - OIC

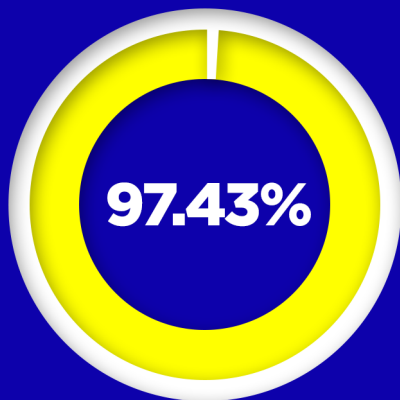
Ms. Arlene R. Umandap
Director for Claims and Technical Support

Ms. Fidela C. Adan
Deputy Director for Risk Management

Ms. Joyce M. Alimagno
Deputy Director for Operations

Mr. Francis R. Montilla
Deputy Director for Operations

Ms. Catherine S. Patay
Senior Cluster Manager



8/24 Claims Settlement

Basic Life Insurance

NUMBER OF CLAIMS
92,053 AMOUNT
Php **1.9M**

Golden Life Insurance (GLIP)

NUMBER OF CLAIMS
4,717 AMOUNT
Php **142M**

LRF-Plus

NUMBER OF CLAIMS
29,174 AMOUNT
Php **358M**

BLIP-Ex Claims

NUMBER OF CLAIMS
2,715 AMOUNT
Php **2.7M**



Active Members

7.8M



Active/Insured Individuals

24.6M



Assisted Members
to Obtain PSA Projects

834

Remitter Protek Plan (RPP)

NUMBER OF CLAIMS
8 AMOUNT
Php **97,361**

Family Security Plan (FSP)

NUMBER OF CLAIMS
9,965 AMOUNT
Php **480M**

ACCI Plan

NUMBER OF CLAIMS
264 AMOUNT
Php **3.42M**

Life Refund

NUMBER OF CLAIMS
412,978 AMOUNT
Php **623M**

Retirement Fund

NUMBER OF CLAIMS
412,520 AMOUNT
Php **458M**



MBA Coordinators

2,280



Scholarship

14



Cluster

23



Region

8



Provincial

94

AT A GLANCE

What we accomplished in 2024

Economic

Number of Active Members: **7,854,713**

Total Number of Claims: **974,206**

Environmental

Trees Planted: **7,699**

Social

Scholars: **14**

Amount of Relief Goods Distributed: **PHP 127,326,633**

Health Availment: **674**

Governance

Governance Recognition: **1**

At CARD Mutual Benefit Association, Inc. (CARD MBA), we believe that empowering families economically is key to creating meaningful change. Through our microinsurance services, we provide financial protection that helps individuals and families face life's challenges with confidence. We also continue to create job opportunities and make our services accessible to communities that need them the most. As we grow our membership and expand our reach, we strengthen our commitment to building long-term economic stability for the people we serve.

We also take our responsibility to the environment and society seriously. In partnership with environmental agencies, we carry out initiatives like tree planting to help care for the planet and support national efforts to address climate change. At the same time, we invest in people—offering training and learning opportunities for both staff and members to build stronger, more resilient communities. During times of disaster, we respond quickly through relief and microinsurance programs, helping our members recover and move forward together.

All of this is grounded in strong and ethical governance. We make sure our decisions and actions are guided by integrity, transparency, and accountability. Our governance practices not only align with our core values but also meet the standards set by regulators. By staying true to these principles, we continue to earn the trust of our members and partners—and ensure that CARD MBA remains a dependable support system for many years to come.

Economic

Job Creation and Workforce Growth

The economic growth that CARD MBA fosters is not only through our financial products but also through our dedication to creating job opportunities and enhancing livelihoods. As the backbone of our operations, our workforce leads the way in delivering services to our grassroots communities. Our staff, who work tirelessly in both urban and rural areas, are essential in delivering the services that make a difference in the lives of our members. By the end of 2024, we employed 667 staff members, a 13% increase from the previous year. This reflects our continuous growth and the expanding demand for our services, as well as our commitment to providing meaningful employment opportunities.

Alongside our staff, our work is deeply supported by the 2,280 CARD MBA Coordinators stationed across the country, in provinces, towns, and even remote areas. These coordinators play a critical role in our day-to-day operations, helping to ensure that our services reach the people who need them the most. They serve as our representatives on the ground, working directly with our members and delivering the essential microinsurance products that help safeguard their families against unforeseen circumstances.

Expanding Microinsurance Coverage

CARD MBA's microinsurance products provide financial protection that allows families to cope with the loss of a breadwinner, helping them recover from the financial shock and continue with their lives. Our services are particularly valuable for families whose livelihood depends on small businesses, as our products help safeguard their income streams during difficult times. By giving them a safety net, we ensure that they have the resilience to bounce back from adversity.

In terms of our membership base, we are proud to report that as of December 31, 2024, we have successfully built a membership of 7,854,713 active members. This reflects the trust our members place in us and the critical role we play in their financial security. Additionally, we have extended insurance coverage to 24,585,066 individuals, helping to provide peace of mind to more families than ever before.





Strengthening Digital Services and Payment Systems

In 2024, we opened new offices in Tandag City, Surigao del Sur; Lucban, Quezon; Odiongan, Romblon; Midsayap, Cotabato; and Koronadal, South Cotabato. We also relocated four existing offices to more strategic locations: Davao Oriental (Mati), Davao 2 (Digos), North Cotabato (Kidapawan), and Palawan 2 (Taytay).

Additionally, we are embracing the power of digital technology to further enhance our operations. We continue to develop and improve our digital solutions, including our core system, which is designed to fully digitalize our processes and improve operational efficiency. The Panatag Ka App allows our coordinators to quickly view, file, and validate claims, making the process faster and more convenient for all involved. Our 24/7 customer service relations officers and the Carmina E-Tanong Mo Chatbot also provide constant support, ensuring that all member concerns are addressed quickly and efficiently.

In 2024, we introduced a person-to-merchant QRPH capability integrated with the Konek2Pay feature of konek2CARD. This provides a more secure and convenient way for members to make payments for optional products. Additionally, we've improved our membership onboarding process by integrating our CARD Microinsurance System with Members On Boarding, streamlining the process of registering new members and their beneficiaries.

Recognition in the Global Insurance Industry

Our continued commitment to operational excellence has earned us recognition on the global stage. For two consecutive years, the International Cooperative and Mutual Insurance Federation has ranked CARD MBA as one of the world's 500 largest mutual and cooperative insurers, a testament to the trust we've earned and the impact we've made in the industry.

Environmental

Tree-Planting and Ecosystem Protection

As part of our core mission to be responsible stewards, CARD MBA also prioritizes environmental sustainability. In 2024, we strengthened our commitment by participating in a series of tree-planting initiatives across the country—efforts that reflect our dedication to mitigating environmental risks and promoting ecological balance in the communities we serve.

In collaboration with the Department of Environment and Natural Resources (DENR), CARD MRI Rizal Bank, Inc., CARD, Inc. (a Microfinance NGO), CARD Pioneer Microinsurance, Inc., CARD Bank, and CARD SME Bank, a total of 8,710 trees were planted throughout the year. These include 8,062 mangrove trees in South Cotabato, Leyte, Samar, Antique, Misamis Oriental, Davao del Norte, Cagayan, Zamboanga del Sur, Zamboanga del Norte, Palawan, Iloilo, Surigao del Norte, Occidental Mindoro, Quezon, Davao, Pangasinan, Cavite, Camarines Norte, Capiz, Negros Oriental, Cebu, and in the Zamboanga BASULTA area; 300 pandan trees in Ilocos Norte; 333 mahogany trees in Batangas; and 15 acacia trees in Isabela.

These tree-planting efforts are vital not only for coastal protection and watershed restoration but also for preserving biodiversity and supporting long-term climate resilience. Through these collective actions, CARD MBA continues to help build a greener and more sustainable future for the next generation.

Sustainable Finance and Regulatory Compliance

To align with the Sustainable Finance Framework set by the Securities and Exchange Commission (SEC) and the Insurance Commission (IC), CARD MBA integrates environmental responsibility into its financial policies and operations.

Creative Recycling and Financial Literacy Through the Koa Sustainability Circle

In line with our commitment to sustainability, CARD MBA took part in the Koa Sustainability Circle, a creative initiative led by CARD MRI Publishing House to promote environmental responsibility while strengthening financial literacy within the community. The program aims to reduce paper waste from CARD MRI offices by transforming discarded newspapers and used paper into meaningful products.

In June 2024, CARD MBA employees participated in a Taka-Making Workshop held at the CARD MRI Annex Lobby. During the session, they recycled 1.3 kilograms of old newspapers and transformed them into 13 handcrafted Koa Koin Banks—owl-shaped coin banks inspired by Koa the Kwago, the wise and friendly mascot of CARD MRI Publishing House. These coin banks were later distributed to the children of CARD clients during Koa Storytelling sessions, serving as both a savings tool and a fun reminder of the importance of financial discipline from an early age.

This initiative demonstrates how sustainability efforts can be meaningfully linked with financial education and values formation. Through the Koa Sustainability Circle, CARD MBA continues to support programs that foster environmental awareness, lifelong learning, and a culture of responsible money management within the communities we serve.



Capacity-Building for Coordinators and Staff

At CARD MBA, we recognize the value of education and community development as powerful tools to help break the cycle of poverty. As part of our social responsibility efforts, we continue to provide training programs to our CARD MBA Coordinators and staff to ensure they are equipped with the knowledge and skills they need to best serve our members. These capacity-building programs are central to our ability to provide quality service and ensure that our staff and coordinators are prepared to meet the evolving needs of our communities.

Strengthening Community Partnerships

In 2024, we also formed partnerships with 14 Build-Operate-And-Transfer (BOAT) organizations to extend our microinsurance products and services to their employees. These partnerships enable us to reach more individuals in organized communities who seek financial protection through CARD MBA. By bringing financial security to more people, we're helping families build resilience in times of crisis.

Supporting Health and Well-being

In line with our commitment to the holistic well-being of our members, CARD MBA participated in the Community Health Day (CHD) held in September 2024. During the event, 674 members availed of free health services, including medical consultations, laboratory tests, and wellness education. By making healthcare accessible, we empower members to prioritize their well-being without added financial stress.

Empowering Through Education

We continue to invest in education as a long-term strategy to uplift lives. As of 2024, 14 scholars are currently enrolled under our educational assistance program. This year also marked a proud milestone as 53 scholars graduated and achieved their dreams. Their success affirms our belief that education is a powerful tool for breaking the cycle of poverty and building a better future.

Disaster Relief and Humanitarian Assistance

Our disaster relief efforts remain a core part of our mission. As of November 2024, we have distributed a total of Php 127,326,633.24 worth of relief goods to 693,273 members affected by various calamities. Through the CARD MRI Disaster Relief Assistance Program, we continue to offer timely support and compassion to those facing hardship.

Promoting Family Stability through the Mass Wedding Program

We also revived our mass wedding program in 2024, with 23 couples united in marriage in Narra, Palawan and Basey, Samar. This initiative provides legal recognition to live-in couples, enabling them to declare their spouses and children as dependents for microinsurance coverage. In doing so, we promote family stability and ensure more members benefit from financial protection.



Governance

Commitment to Ethical Leadership

Governance has always been the foundation of CARD MBA's operations, ensuring that we remain true to our mission of serving our members with integrity and accountability. We are guided by CARD MRI's core values, CFISHES (see page 7), with Family Spirit and Stewardship as pillars that support our mission. This is evident in our unwavering commitment to providing services to our members regardless of circumstances.

At CARD MBA, governance is not just about leadership—it is about inclusivity and transparency. As an association made for and managed by its members, we actively seek their input on every product and service. Through monthly center visits and ongoing consultations, we gather feedback to ensure that the voices of our members are heard. Our CARD MBA Coordinators also serve as vital links, relaying the needs of our members and helping us refine our products and services.

One notable result of this consultative approach is AcciPlan, a microinsurance product specifically designed to provide accident coverage. This plan was developed in response to the growing need for tailored financial protection, a need that surfaced through continuous dialogue with our members.

Risk Management and Inclusive Decision-Making

Risk management is at the heart of our governance strategy. To ensure that we minimize operational risks and maintain financial sustainability, we engage in continuous consultation with our Board of Trustees and management committee. Every transaction and policy is carefully evaluated, and any recommendations for improving our products and services are considered. This democratic approach to decision-making has been instrumental in maintaining CARD MBA's status as one of the top-performing microinsurance providers in the Philippines.

Female Leadership and Representation

CARD MBA remains a primarily female-led institution, embodying our commitment to gender diversity, equality, and inclusion. Of the 15 members of our Board of Trustees, 86.67% are women, reinforcing our dedication to providing leadership opportunities for women. By ensuring that women's perspectives are at the forefront of our decision-making, we continue to create programs that empower families and communities.

Regulatory Compliance and Transparency

As a regulated entity under the Insurance Commission, CARD MBA is fully committed to complying with all laws, policies, and governance standards to protect the rights and interests of our members. As our members are the rightful owners of the institution, we take transparency and accountability seriously. Every decision, initiative, and financial transaction is conducted with the highest ethical standards to ensure that we serve our members effectively and responsibly.

Recognition for Strong Governance Practices

In 2024, we took deliberate steps to enhance our governance practices, ensuring that our leadership remains grounded in ethical standards and responsive to the evolving needs of our members. This year, our commitment to strong governance was further validated when we received the Two-Golden Arrow Award from the Institute of Corporate Directors during the 2024 ASEAN Corporate Governance Scorecard Awards. This recognition highlights our dedication to maintaining the highest standards of governance and financial transparency, ensuring that our operations are conducted with integrity and in the best interests of our members.

The following section outlines the governance structures, policies, and practices that guide our strategic decisions. These pillars reinforce our commitment to transparency, accountability, and sustainability. By continuously strengthening these aspects, we ensure that our operations remain aligned with our mission, empowering us to serve our members effectively while laying the groundwork for long-term success.



CARD MBA CORPORATE GOVERNANCE

CARD MBA Inc. has once again been recognized by the Institute of Corporate Directors for its outstanding corporate governance practices. The Two Golden Arrow Award, received on September 19, 2024, symbolizes the great value of trust from the members and other stakeholders.

CORPORATE GOVERNANCE CONFIRMATION STATEMENT

The Board of Trustees (BOT) and the Management of CARD Mutual Benefit Association, Inc. confirm full compliance with the Revised Code of Corporate Governance. The Association remains deeply rooted in its responsibility to the members, their families and to the stakeholders. The practice of transparency and full disclosures give CARD MBA the opportunity to further gain the trust and confidence of its members and stakeholders.

BOARD OF TRUSTEES

A Board of Trustee is a position of trust and commitment that are significant for being the highest governing body of the Association. The Board of Trustees hold no executive position in the Association. They act in a manner characterized by transparency, accountability, fair-mindedness and for the best interest of the members and stakeholders. Trustees are primarily responsible for approving and overseeing the implementation of the Association's policies and procedures, action plans, corporate governance and values towards attainment of the short and long-term strategic objectives.

A yearly stringent selection and election of the Board of Trustees is conducted in accordance with the selection and nomination process of the Association. Nominations come for different regions of the country for a diversified representation of the members for a broad range of perspective in the operation of the Association based on their race, age, expertise, experience, and knowledge. From being a simple 'Nanay' to becoming an empowered woman that leads and serves the others. The Board of Trustees are trained and exposed to different training and practices both local and international to widen their knowledge and understanding. Further, to continuously enrich the products and services of the Association, the trustees are diligently visiting on the ground of operations to visit at least five members and three centers every month so they could personally hear and learn from the members themselves their feedback.

The calendar of meetings for the year 2024 was released on December 15, 2024, for the advance information of the board and other attendees to ensure that they can already mark the dates and ensure attendance in the meeting.

Regular board meetings are held every first Friday of every other month and special board meeting is called when necessary. As provided in the company's Amended By-Laws the Annual General Membership Meeting and election of new trustees is conducted every month of September.

Below summarizes the attendance of each trustee during the Regular and Special board meetings held in 2024:

Name of Trustee	Position	Total No. of Meetings	No. Of Meetings Attended	Percentage Rating
Ms. Reazhyle A. Francisco*	Chairman and President of the Board (2023 - 2024)	6	6	100%
Ms. Jenny R. Aquino*	Treasurer (2023 - 2024)	6	6	100%
Ms. Deneglen C. Peñaflorida	Chairman and President of the Board (2024 - Present)	7	7	100%
Ms. Babylita C. Mernilo	Vice President (2023 - 2024)	7	7	100%
Ms. Virginia M. Garcia	Treasurer (2024 - Present)	7	7	100%
Ms. Emely L. Bagares	Board Member	7	7	100%
Ms. Marissa S. Florendo	Board Member	7	7	100%
Ms. Dolores M. Mendoza*	Board Member	6	6	100%
Ms. Maribeth C. Magdato*	Board Member	6	6	100%

Ms. Leny E. Saber*	Board Member	6	6	100%
Ms. Cristy C. Sontosidad*	Board Member	6	6	100%
Ms. Maria Dolores P. Tatel*	Board Member	6	6	100%
Ms. Vida T. Chiong	Independent Trustee / Chairman of Audit Committee	7	7	100%
Mr. Francis M. Puzon	Independent Trustee / Chairman of Risk Oversight Committee	7	7	100%
Mr. Rolando A. Robles	Independent Trustee / Chairman of Corporate Governance and RPT Committee	7	6	86%

*Term ended on September 9, 2024

NEWLY ELECTED BOARD OF TRUSTEES SEPTEMBER 9, 2024				
Ms. Aileen P. Guno	Vice President	1	1	100.00%
Ms. Marilyn C. Saguibo	Board Member	1	1	100.00%
Ms. Shirley S. Alejan	Board Member	1	1	100.00%
Ms. Maria Nilda C. Badiola	Board Member	1	1	100.00%
Ms. Liezel J. Macoco	Board Member	1	1	100.00%
Ms. Alma O. Geraldez	Board Member	1	1	100.00%
Ms. Cathlea O. Imbing	Board Member	1	1	100.00%

The board approved the following goals and accomplishments for the year 2024:

	Target	Actual	%
No. of Members	8.05M	7.8M	97.8%
No. of Insured Individuals	26.1M	24.7M	94.3%
Claims Disbursement	Php3.5B	Php3.4B	91.4%
8/24 Hour Claims Settlement (Member)	100%	97.30%	
8/24 Hour Claims Settlement (Dependents)	95%	97.56%	

BOARD COMMITTEE

Audit Committee

The Audit Committee aids the Board of Trustees in ensuring that adequate control is in place and properly observed across all levels of the Association. For the year 2024, CARD MBA has an overall internal audit rating of 92.08% which indicates sufficient internal controls, but the Audit Committee also believes that constant review of the Association's systems and procedures is necessary to stay abreast of the changing times.

The Committee is composed of four (4) appropriately qualified non-executive directors, the majority of whom, including the Chairman, is independent. All of the members of the Committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.

The Chairman of the Audit Committee is not the chairman of the Board or of any other Committees. Among the major accomplishments of the Audit Committee for the year 2024 are:

1. Policy for dissemination of Notice to respective Units/Offices of CARD MRI for discontinued services of MBA Coordinators to prevent unauthorized transactions and checking of issued insurance policies for the enrollments to optional products.
2. Revised Audit Unit Operative Plan based on High Prioritization of Provincial Offices with previous failed audit ratings and will be audited every 8 months.
3. Audited Provincial Offices, Main Office, and Programs

Indicators	Audit Universe	POS / Main Office / Programs		% Accomplishment as of Dec 31, 2024	Remarks
		Target as of Dec 31, 2024	Actual as of Dec 31, 2024		
Provincial Offices	93 POs	53 POs	53 POs	100%	100% accomplished based on the number of resources / Audit Personnel
Cluster Offices	20 COs	9 COs	9 COs	100%	
Main Office	13 Units	-	-	-	
IT Programs	16 Programs	16 Programs	16 Programs	100%	
Support Unit Programs	4 Programs	2 Programs	2 Programs	100%	

The Audit Committee Meeting is conducted in a monthly basis, particularly every first Friday of the month, if there is no scheduled Board meeting, otherwise, is held a day before the board meeting. Table below shows the 2024 attendance of each member in the meeting.

Name of Trustee	Type of Trustee	No. Audit Committee Meetings	No. Of Meetings Attended	Percentage Rating
Ms. Vida T. Chiong (Committee Chairperson)	IT	12	12	100%
Mr. Francis M. Puzon	IT	12	12	100%
Mr. Rolando A. Robles	IT	12	11	92%
Ms. Mylin M. Chozas	NET	9	9	100%
Ms. Reazhyle A. Francisco	NET	3	3	100%

Legend: IT - Independent Trustee; NET - Non-Executive Trustee

Risk Oversight Committee

Risk Oversight Committee is tasked with the development of Enterprise Risk Management Manual. They help the board with the evaluation of risk exposures of CARD MBA and recommend mitigating strategies.

The Committee is composed of four (4) appropriately qualified members, the majority of whom, including the Chairman, are independent. The Chairman is not the Chairman of the Board or of any other Committee. The Risk Oversight Committee had several major accomplishments in 2024:

1. Approval Enterprise Risk Management Framework (ERMF)
2. Implementation of Risk and Control Self Risk Assessment (RCSA)
3. Conduct of Call Tree Test
4. Tabletop with Cluster Managers and Deputy Directors for Operation
5. Fire Assessment Survey to Provincial Offices
6. Climate Risk Assessment to Provincial Offices Using Hazard Hunter PH and Project Noah
7. Drafted Step by Step Procedure for Disaster Recovery

The Committee meets a day before the scheduled Board meeting every two months. Table below shows the 2024 attendance of each member in the meeting.

Name of Trustee	Type of Trustee	No. Risk Committee Meetings	No. Of Meetings Attended	Percentage Rating
Mr. Francis M. Puzon (Committee Chairperson)	IT	6	6	100%
Ms. Vida T. Chiong	IT	6	6	100%
Mr. Rolando A. Robles	IT	6	3	50%
Ms. Babyrita C. Mernilo	NET	5	5	100%
Ms. Ailene P. Guno	NET	1	1	100%

Related Party Transaction Committee

The Related Party Transaction Committee plays a crucial role in managing transactions with related parties. This involves a thorough review and evaluation of each transaction to assess potential risks and ensure fairness. In any instance where a conflict of interest arises concerning a particular transaction, the committee member involved will abstain from evaluating that specific transaction.

In 2024, the Association is fully compliant with the Insurance Commission's requirement for submission of Report on Material Related Party Transactions. The Committee improves the efficiency of contracting and provides valuable strategic assessment of parties with relevant industry knowledge.

The Committee has a regular meeting every 4th Friday of every quarter or as the need arises. Table below shows the 2024 attendance of each member in the meeting.

Name of Trustee	Type of Trustee	No. RPT Committee Meetings	No. Of Meetings Attended	Percentage Rating
Mr. Rolando A. Robles (Committee Chairperson)	IT	7	7	100%
Ms. Vida T. Chiong	IT	7	7	100%
Ms. Jenny R. Aquino	NET	5	5	100%
Ms. Virginia M. Garcia	NET	2	2	100%

Corporate Governance Committee

The Corporate Governance Committee plays a vital role in ensuring that our Association adheres fully to the provisions and requirements of the Revised Code of Corporate Governance. They provide guidance and support to management, facilitating the continuous improvement of governance practices throughout CARD MBA. In accordance with IC Circular Letter 71-2020, Remuneration and Nomination Committee shall be assigned to the Corporate Governance Committee.

Corporate governance accomplishments reflect a company's success in ensuring ethical and effective operations through localized deployment program and capacity training, empowering employees to address concerns effectively. Good governance can lead to improved operational efficiency, better decision-making, and overall company performance. In 2024, the tool for the board committee assessment was developed and the results were also presented thereof.

The Governance Committee convenes on the fourth (4th) Friday of each quarter, or as necessary. The Committee comprises four (4) appropriately qualified members, the majority of whom are independent trustees, including the Chairman. The table below outlines the attendance of each member at the meeting.

Name of Trustee	Type of Trustee	No. Governance Committee Meetings	No. Of Meetings Attended	Percentage Rating
Mr. Rolando A. Robles (Committee Chairperson)	IT	4	4	100%
Ms. Vida T. Chiong	IT	4	4	100%
Ms. Reazhyle A. Francisco	NET	3	3	100%
Ms. Deneglen G. Peñaflorida	NET	1	1	100%

Central Nomination Committee

Mr. Rolando A. Robles - Committee Chairperson

Ms. Vida T. Chiong

Ms. Reazhyle A. Francisco

Ms. Marie Sharon D. Roxas

Atty. Anatalia F. Buenaventura

Ms. Mylin M. Chozas

Election Committee

Atty. Virlyn Rose R. Ramirez - Chairperson

Atty. Anatalia F. Buenaventura

Ms. Kathleen Joy D. Almazan

Under the supervision of the Corporate Governance Committee is the screening of nominees for the position of Board of Trustees. Nominees underwent two levels of screening: first is on a Regional Selection level and finally to the Central Nomination Committee. On April 24, 2024, regional selection of nominees was conducted that includes validation and background checking of eligibility and qualifications of the nominees in accordance with the Association's By-Laws. Selected nominees are endorsed to the Central Nomination Committee (CNC). The CNC met on May 13 & 16, 2024 for the final scrutinization of the nominees. Ensuring that the nominee possesses and upholds the values aligned with the principles of the Association.

During the Annual General Membership Meeting (AGMM), nominees are then elected with the supervision of an independent Election Committee. They supervise the voting ceremony during the AGMM up to the counting of votes, tabulation and announcement the results thereof.

Product Development and Innovation Committee (PDIC)

The PDIC is responsible for developing products, as well as reviewing and assessing benefit packages and services offered by CARD MBA to ensure they meet the evolving needs of our members. In 2024, the Committee achieved a significant milestone with the following accomplishments:

1. Full implementation of AcciPlan
2. Revised Implementing Rules and Regulations of Basic Life Insurance Program
3. Golden Life Insurance Program (GLIP) Rider
4. Annual product review
5. Product Review Manual

PDIC meets every fourth (4th) Friday of every quarter or as the need arises. The Committee consists of seven (7) qualified members selected from the board and management. The feedback gathering tool implemented by the Member Board of Trustees is instrumental in assisting the Committee's evaluation of products and services.

Table below shows the 2024 attendance of each member in the meeting.

Name	No. PDIC Committee Meetings	No. Of Meetings Attended	Percentage Rating
Mr. Wilfredo M. Llanto (Committee Chairperson)	4	4	100%
Ms. Reazhyle A. Francisco	3	3	100%
Ms. Baby Lita C. Mernillo	3	3	100%
Ms. Deneglen G. Peñaflorida	2	2	100%
Ms. Ailene P. Guno	2	2	100%
Ms. Jocelyn D. Dequito	4	4	100%
Mr. Oliver M. Reyes	4	4	100%
Mr. Michael Kelvin N. Junos	4	3	75%
Ms. Abigail S. Bonifacio	4	4	100%

ALCO and Treasury Committee

To ensure the responsible management of our members' funds, the Board of Trustees is supported by the ALCO and Treasury Committee. This committee is responsible for reviewing investment proposals and providing advice and recommendations on financial matters, with a focus on investments.

The ALCO and Treasury Committee carefully examines every investment offering to ensure that the Association selects a reputable investment firm, safeguarding the Association's funds.

The Treasury Committee meets every fourth Monday of every two months. The Committee is composed of eight (8) appropriately qualified members. The table below shows the 2024 attendance of each member in the meeting.

Name	No. Treasury Committee Meetings	No. Of Meetings Attended	Percentage Rating
Ms. Mary Jane Perreras (Committee Chairperson)	6	6	100%
Ms. Lorenza Dt. Bañez	6	3	50%
Ms. May S. Dawat	6	6	100%
Ms. Jocelyn D. Dequito	6	6	100%
Ms. Janet D. Caneo	6	6	100%
Ms. Kathryn Joyce B. Manimtim	6	6	100%
Ms. Arpheejane A. Bahia	6	4	67%
Ms. Lailanie L. Moral	6	6	100%

INDEPENDENT CHECKS AND BALANCES

CARD MBA upholds the core values of integrity and stewardship. To ensure these values are consistently practiced, maintaining independent checks and balances throughout the year with the support of the following functions.

External Auditor

During the Annual General Membership Meeting of CARD MBA on September 9, 2024, the Audit Committee seek approval of the appointment of Sycip, Gorres, Velayo & Co. to conduct the external audit of the Association for the year ended 2024. The engagement costs an audit fee of PHP 2,186,184.00 and is headed by Mr. Bryan Chrisnel M. Baes. The result of audit was presented and affirmed by the Board of Trustees during its meeting on April 6, 2024.

In 2024, no non-audit fees were paid to external auditors.

Internal Audit

Internal Audit helps the Board of Trustees to ensure that an effective internal control system in place is working. It adds value to achieving the goals of the Association by independent evaluation and testing of the operation, compliance, and risk management practices. The Unit is headed by the Deputy Director for Audit – Ms. Kathleen Joy D. Almazan, who is directly supervised by the Audit Committee.

Compliance

To ensure the Associations' adherence to all applicable laws and regulations, particularly those set forth by the Insurance Commission, the Board has appointed a Compliance Officer.

In addition to monitoring external regulatory requirements, the Compliance Unit supports management in implementing corrective actions recommended by both internal and external audits, as well as the Risk Oversight Committee. This ensures ongoing operational improvements. Ms. Jennifer O. Redublo, Director of Compliance, leads the Unit and also assists the board in upholding the highest standards of good governance.

Risk Management

Risk Management is an integral function within the Association. It helps maintain safe and sound operations, ensuring the Association's goals and objectives are achieved by mitigating potential risks. The Board of Trustees has designated Ms. Fidela C. Adan, Deputy Director for Risk Management, to lead this effort. She is responsible for identifying, assessing, and analyzing operational risks. With the support of the Risk Oversight Committee, identified risks are actively being mitigated.

CODE OF CONDUCT AND BUSINESS ETHICS

The Association upholds the highest ethical standards through the rigorous implementation of the CARD MRI Code of Discipline. This code outlines the policies that govern the activities of the institution, its trustees, officers, and employees and specifically emphasizes the fair treatment of both employees and business partners.

Related Party Transactions

The Related Party Transaction Committee warrants those transactions made by the Association during the year are conducted on a fair and at arm's length basis following the best interest of its members and stakeholders. All transactions with related parties are thoroughly reviewed by the RPT Committee before being endorsed to the Board of Trustees. Eventually all those transactions are ratified by the members during the Annual General Membership Meeting. Details of Related Party Transactions (RPTs) are provided in Note 22 of the Audited Financial Statement Section of this integrated Annual Report.

Transparency and Disclosures

Maintaining open communication with our members and stakeholders is a priority. The Association achieved this by providing regular updates on the activities and status through various channels, including:

Website (www.cardmba.com). The website contains monthly financial and non-financial updates such as Audited FS, Annual Reports, Verified Annual Statements and other advisories for easy access and immediate availability.

Media. All CARD MBA major activities and whereabouts are posted through its Facebook account (www.facebook.com/cardmbaofficial). . TikTok and reels video are also used as a platform in reaching the members. CARD MBA also tapped the traditional media to spread its advocacy through radio guesting and media conferences. A press briefing was held on August 30, 2024, at the CARD MBA Main Office in Paulino, San Pablo City. The briefing, which featured several CARD MBA staff, was recorded for use in upcoming Facebook reels.

Chatbot. CARD MBA eTanong Mo is chatbot through a Facebook messenger where anyone can throw questions and concerns related to CARD MBA products and services, membership and claims procedures and other policies on their insurance coverage. Customer Service of CARD MBA can also be reached through this chatbot. It is also called CARD MBA Information and Assistance (CARMINA).

Board Performance Evaluation

The performance assessment was conducted to further distinguish and improve the Performance appraisal process. It is an indispensable tool that helps the Association maintain its highest quality of work. The Board of Trustees conducts annual self-performance, peer performance, and Committee performance assessments. Using a rating scale questionnaire, the Trustees assessed themselves, their peers, and their respective Committees. The assessment, conducted on August 28, 2024, included, among other things, their (1) understanding of the Association's mission and vision and their (2) commitment to achieving the best interest of the stakeholders. On the other hand, board committee assessment was conducted on March 21, 2024. The Compliance Unit received the complete questionnaire to ensure the confidentiality of the assessments.

STAKEHOLDER INTEREST

The Association is committed to protecting the welfare and rights of its stakeholders by ensuring that quality service and programs are provided to them and that every transaction with them is conducted in a transparent and fair manner.

Members' Satisfaction



One of the ways for CARD MBA to improve its products and services is through its annual satisfaction survey. In 2024, Out of 1,557 respondents, the Association got an average of 87% satisfied members with the products, affordability, benefits, and services of the Association, including how the staff accommodate their queries.

Members and Employees' Health and Safety

Community Health Days

The COVID-19 pandemic has significantly impacted on the delivery of community health services. CARD MRI Microfinance and Health Protection (MaHP), including the Community Health Day (CHD) and CARD MRI Community Clinic (CCC), has faced considerable challenges in providing health services and adapting to the "new normal."

Despite these difficulties, the MaHP Unit remains committed to supporting the health needs of our members. To continue reaching members and their families, MaHP conducts online health education through Facebook Live sessions, webinars, and lectures. Additionally, CARD Laboratory Service offers laboratory services to CARD MRI clients, staff, and their dependents.

Launched on April 1, 2022, by MaHP unit, the CARD e-Doctor has provided free online consultations to customers, staff, and the general public who were unable to visit clinics or hospitals due to the COVID-19 pandemic. This service remains active to date. In 2024, MaHP's CARD e-Doctor, Clinic, Online Health Education and Laboratory services were reached and utilized by 269,994 patients.

In 2024, the CARD Clinic Allied Services solidified and is committed to enhancing community health, especially for individuals in challenging situations. As an integral part of CARD MRI, the clinic endeavors to provide accessible, high-quality healthcare services, with the goal of enabling families to lead healthier lives.

Disaster Preparedness Training

To ensure the safety of the staff, the Association continuously conducts Disaster Preparedness, Fire and Earthquake Drills, and First Aid Training. Additionally, all offices are equipped with disaster preparedness kits and grab bags to help ensure the safety of staff and members in the event of an unforeseen incident.

In 2024, the institution provided training in Security Awareness (covering bomb threats, robbery prevention, and disaster awareness) and Basic Occupational First Aid.

Supplier/Contractor Selection Criteria

CARD MBA is implementing a selection process for all suppliers and contractors seeking accreditation. This process ensures that we receive high-quality products and services at competitive prices.

The due diligence criteria will include an assessment of financial stability, response time, service availability, cost-benefit, regulatory compliance, and market reputation.

Environmentally Friendly Value Chain

CARD MBA supports the Republic Act 9003 also known as the “Ecological Solid Waste Management Act of 2000 by implementing proper segregation and disposal of solid wastes through the formation and adoption of the best environmental practices in ecological waste management.

As the issue of climate change continues to threaten our water resources, we implemented a policy that encourages all our offices to use water efficiently. All our employees are requested to save water when raining, to use glass when brushing their teeth, and to use a basin when washing their clothes.

CARD MBA has used solar panels through CARD Leasing and Finance Corporation (CARD LFC) to ensure continuous Provincial Offices’ (POs) operations despite of certain calamities, especially storms and typhoons. This endeavor is also in support of CARD-Business Development Service Foundation Inc.’s (CARD-BDSFI) renewable energy initiatives.

Interaction with Communities

The Association continuously joining the campaign of preventing the spread of the COVID 19 by conducting a webinar on the prevention and cure of the COVID 19. CARD MBA Inc. also reached out to the Local Government Unit and other private sectors for the vaccination schedule to ensure that their staff will be vaccinated. Furthermore, CARD MBA sponsored bloodletting through the Red Cross in the CARD offices on the following date, February 2, 2024, May 17, 2024, and August 22, 2024.

On September 20, 2024, CARD MBA sponsored a Kaunlaran Caravan to the community in Candelaria Quezon and had a total 1037 benefited on the program. This program provides free health services to the community, including dental, medical, and consultation services through the CARD MRI Clinics and Allied Services (CCAS), as well as access to affordable medicines from BotiCARD.

Anti-Corruption Program/Whistle Blowing Policy

CARD MBA has consistently implemented its anti-corruption policies, including the Bantay-Integridad, Paid Mandatory Leave, and Cluster Manager’s Audit Monitoring System (CMAMs) programs. The Bantay-Integridad program aims to increase awareness and commitment among all employees, reinforcing their duty to report any suspected or actual instances of fraud or any actions that conflict with CARD’s core value of integrity. In 2024, there seventeen (17) Cluster Manager’s Audit Monitoring System (CMAMs) conducted to different Provincial Offices

To further support this, CARD has established a Grievance Committee to serve as a formal venue for resolving employee issues within the work environment. To ensure effectiveness, a series of training sessions were conducted for all staff, focusing on the proper procedures for documenting issues and their resolutions.

Creditors' Right


The Association has no outstanding credit obligations to any third party. Nonetheless, the Association is dedicated to fulfilling its commitments to members, suppliers, and third-party service providers. This is achieved through monthly monitoring of the liquidity ratio and matching assets against liabilities to guarantee sufficient liquidity for meeting obligations.

Furthermore, consistent with legal requirements, the Association's creditors, should there be any, are prioritized for payment of obligations both in the normal course of business and in the event of liquidation.


CARD MBA AND 17 SUSTAINABLE DEVELOPMENT GOALS

Aligning with the United Nations 17 Sustainable Development Goals (SDG), we have identified programs, activities and strategies adapted by CARD MBA in its overall operations.


End poverty in all its forms everywhere.

	<p>By providing access to affordable microinsurance services, we protect them from financial risks related to illness, accidents, and other uncertainties that may cause them to fall deeper into poverty.</p> <p>As of December 31, 2024, CARD MBA has 7.8 million members insuring 24.5 million individuals under the Basic Life Insurance Program (BLIP). CARD MBA also offers whole life insurance, the Basic Life Insurance Program Extension Plan (BLIPEX) and optional products such as Credit Life Insurance Program, Golden Life Insurance Program, Family Security Plan, AcciPlan, and Remitter Protek Plan. The table below shows the number of enrolled per product.</p>
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Ensure healthy lives and promote well-being for all ages.

	<p>CARD MBA's microinsurance coverage enables Filipino families and individuals to access affordable healthcare services when needed, promoting good health and well-being while reducing financial burdens among low-income people.</p> <p>On September 20, 2024, over 1,000 CARD members and non-members benefited from the CARD MRI Kaunlaran Caravan held at Saria Sports Complex in Sariaya, Quezon. Hosted by CARD MBA in celebration for its 25th Anniversary, the Kaunlaran Caravan is an initiative of CARD MRI that provides free health services to the community, including dental, medical, and consultation services through the CARD MRI Clinics and Allied Services (CCAS), as well as access to affordable medicines from BotiCARD.</p> <p>Additionally, CARD MBA sponsored breast screenings to 235 MBA Coordinators, aiming to protect them from the risk of developing breast cancer.</p> <p>CARD MBA also requires all qualified employees, senior management, and board members to undergo an Annual Physical Examination and other healthcare services to ensure they are physically and mentally fit to work.</p>
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Ensure inclusive and quality education for all and promote lifelong learning.


	<p>CARD MBA is committed to enhancing the quality of life of its members by providing not just microinsurance needs but also educational needs of members' children. The association also supports pursuing higher education for our employees by enrolling them in local and international studies. Currently, CARD MBA supports a total of 86 scholars as illustrated in the table below. Among them, 53 have graduated, 13 have discontinued, and 20 are currently active in their studies.</p>
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Supported Scholars of CARD MBA


Scholarship Program	Type of Scholarship	Active/ Ongoing	Inactive / Pending / Cancelled	Graduated	Total
MBA Coordinator's Child	College	8	4	6	18
BOAT Partners Member's Child	College	5	9	47	61
MBA Staff	Professional Programs	1			1
	Masters	2			2
	College	4			4
Overall, Scholar		20	13	53	86

Since CARD MBA members are clients of CARD Microfinancing institutions, they too, helps educate the members through their Credit with Education program, focusing on various topics such as financial literacy and insurance, health and wellness, credit and savings, leadership, and entrepreneurship.

Achieve gender equality and empower all women.

	<p>CARD MBA promotes gender equality by providing equal access to microinsurance for both men and women. As of December 31, 2024, CARD MBA has 7.8 million members, comprising 32% male and 68% female.</p> <p>CARD MBA also empowers female members by offering them a chance to volunteer as MBA Coordinator. These coordinators assist clients with claim validation, ensuring efficient claim settlements, and promote microinsurance products within the community. As of December 31, 2024, CARD MBA has a total of 2,280 active MBA Coordinators.</p> <p>Women at CARD MBA have equal rights to manage the association, with 87% of the fifteen-member Board of Trustees being women. They are responsible for approving and overseeing the implementation of the Association's policies and procedures, action plans, corporate governance, and corporate values.</p> <p>Furthermore, CARD MBA welcomes applicants of any gender to join its workforce. Currently, the organization employs 186 men and 481 women.</p>
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Affordable and clean energy.

<p>7 AFFORDABLE AND CLEAN ENERGY</p> 	<p>CARD MBA supports the clean and affordable energy by insuring solar loans of members from the CARD Microfinancing Institutions. This loan program helps members not only to save more from their utility bills but also reduce carbon emissions which contribute to global warming. The table below shows the number of solar loans insured under LRF Plus.</p>
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Solar Products covered by LRF Plus

Institution	No.	Amount of Loan Disbursed	LRF Premium
NGO	23,610	2,522,699,469.00	30,444,245.00
BANK	211	830,200.00	10,376.25
SME	1,570	15,623,174.00	212,623.64
RBI	4,642	33,780,550.00	484,115.41
TOTAL	30,033	2,572,933,393.00	31,151,360


Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>Microinsurance coverage from CARD MBA helps protect micro, small, medium business entrepreneurs, and informal workers from financial risks that could jeopardize their livelihoods. By promoting economic stability and resilience, CARD MBA supports decent work and economic growth.</p> <p>CARD MBA also provides its 667 employees with a productive and secure workplace and delivers a fair salary, social protection, and personal development.</p>
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Reduce inequality within and among countries.

<p>10 REDUCED INEQUALITIES</p> 	<p>CARD MBA offers inclusive microinsurance programs. It reduces inequalities by providing access to financial protection and security for marginalized and vulnerable populations. By ensuring that everyone has access to affordable insurance coverage regardless of sex, income level, disability, sexual orientation, religion, and ethnicity, CARD MBA contributes to reducing inequalities.</p>
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Make cities and human settlements inclusive, safe, resilient and sustainable.

<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p>CARD MBA supports members in building safe and sustainable house financed by CARD Microfinance Institutions. A total of 296,088 solar loans from four financial institutions of CARD MRI, as illustrated below, are insured by Loan Redemption Fund Plus</p>
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Housing Loans insured by LRF Plus

Institution	No.	Amount of Loan Disbursed	LRF Premium
NGO	184,467	2,522,699,469.00	30,444,245.00
BANK	93,957	1,687,935,000.00	22,882,946.70
SME	32,633	540,590,000.00	6,859,248.60
RBI	49,444	781,394,000.00	9,610,850.10
TOTAL	360,501	5,532,618,469.00	69,797,290.00

Take action to combat climate change and its impact.

	<p>The microinsurance products of CARD MBA protect Filipino communities against the financial impacts of climate-related disasters and extreme weather events. As the association advocates for climate resilience and adaptation, it contributes to climate action and environmental sustainability.</p> <p>Generally, CARD MBA's programs and initiatives play a crucial role in promoting financial inclusion, resilience, and sustainable development among low-income segments in our society, thus contributing to multiple SDGs.</p>
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Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss.

	<p>CARD MBA collaborates with CARD MRI, Local Government Units, and the Department of Environment and Natural Resources (DENR) to conduct tree-planting activities across various regions in the country. In 2024, a total of 8,710 pandan, mangrove, acacia, and mahogany trees were planted, contributing to the conservation, restoration, and protection of the environment and biodiversity. This initiative is estimated to reduce greenhouse gas emissions by 205.04 tons of CO₂.</p>
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Revitalize the global partnerships for sustainable development.

	<p>CARD MBA has been partnering with local and international organizations to strengthen its implementation for sustainable development, promotes financial inclusion, and increase financial protection. Among of the local partners of CARD MBA are the BOAT Partners, institutions of CARD MRI, Microinsurance Association of the Philippines (MiMAP) RIMANSI. While the international partners are Asia and Oceania Association (AOA), International Cooperative and Mutual Insurance Federation (ICMIF), Co-operative Insurance Company (CIC) Insurance Group Limited, and SAFCO Microfinance Company Limited.</p>
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EMPLOYEES' DEVELOPMENT AND SAFETY PROGRAM

Annual Physical Examination (APE)

Annual Physical Examination/Executive Checkup is one of the health programs of the Association to its qualified employees to ensure that all are fit and in the best condition. In 2024, 440 employees underwent the APE/ Executive Check-up. Additionally, all regular employees received health cards and free dental allowances on a yearly basis.

Further, all staff regularly participate in mental health awareness seminars, sports fests, and team-building programs. In 2024, Twenty-Two (22) employees attended the mental health awareness program, and all employees participated in the team building/sports fest.

Training and Development

The Association places high value on its human resources including Board of Trustees and recognizes the importance of competence, hence, all Board Members and Officers shall be eligible for continuous development program such as local and international trainings, seminars, workshops, and conferences.

It is a policy that all staff are required to have at least 16 hours' training every year to ensure that all are properly equipped and capacitated with the requirements of their respective duties. The staff attended the training through virtual and physical.

Rank	Average Training Hours	Equivalent No. Of Days
Staff	27	2 days
Manager	20	2 days

As part of the long-term reward to the employees, three (3) officers of CARD MBA, Inc are enrolled to Master in Productivity and Quality Management - Major in Microfinance under Development Academy of the Philippines (DAP) and eleven (11) IT staff completed and passed the Certification Course in IT Infrastructure Library.

Furthermore, Corporate Secretary Atty. Jomer H. Aquino and Director for Compliance Ms. Jennifer O. Redublo, attended The Next Level In ESG and Sustainability: Going Beyond Compliance and Reporting on December 5, 2023 provided by Center for Global Best Practices.

BOARD OF TRUSTEES PROFILE

Name	Age & Nationality	Type of Directorship	Position	Education Attainment	Trainings Attended
Deneglen C. Peñaflorida	49, Filipino	A non-executive trustee and holds no directorship or any position in any listed company.	Chairman and President of the Board (elected on September 6, 2023) Member of Audit, Corporate Governance and Product Development and Innovation Committee	High School Graduate	<ol style="list-style-type: none"> 1. Online Investment Briefing in Cooperation with BPI Wealth dated March 4, 2024 2. CARD MBA Strategic Planning dated March 21-22, 2024 3. Cyber Security Awareness dated June 28, 2024 4. AML/CTF Fundamentals dated July 22, 2024 5. AMLC Registration And Reporting Guidelines (ARRG) Course dated July 23, 2024 6. Targeted Financial Sanctions (TFS) Course dated July 24, 2024 7. Cyber Security Awareness and Cyber Drill to the Board and Senior Management dated August 19, 2024
Ailene P. Guno	40, Filipino	A non-executive trustee and holds no directorship or any position in any listed company.	Board Vice-President (elected on September 9, 2024) Member of Risk Oversight and Product Development and Innovation Committee	High School Graduate	<ol style="list-style-type: none"> 1. Orientation Program for New Board of Trustees dated October 24-25, 2024 2. Governance and AMLA Workshop dated October 28-30, 2024
Virginia M. Garcia	43, Filipino	A non-executive trustee and holds no directorship or any position in any listed company.	Board Treasurer (elected on September 6, 2023) Member of Related Party Transaction Committee	High School Graduate	<ol style="list-style-type: none"> 1. Online Investment Briefing in Cooperation with BPI Wealth dated March 4, 2024 2. CARD MBA Strategic Planning dated March 21-22, 2024 3. Cyber Security Awareness dated June 28, 2024 4. AML/CTF Fundamentals dated July 22, 2024 5. AMLC Registration And Reporting Guidelines (ARRG) Course dated July 23, 2024 6. Targeted Financial Sanctions (TFS) Course dated July 24, 2024 7. Cyber Security Awareness and CyBer Drill to the Board and Senior Management dated August 19, 2024
Emily L. Bagares	57, Filipino	A non-executive trustee and holds no directorship or any position in any listed company.	Board Member (elected on September 6, 2023)	Diploma on Bookkeeping	<ol style="list-style-type: none"> 1. Online Investment Briefing in Cooperation with BPI Wealth dated March 4, 2024 2. CARD MBA Strategic Planning dated March 21-22, 2024 3. Cyber Security Awareness dated June 28, 2024 4. AML/CTF Fundamentals dated July 22, 2024 5. AMLC Registration And Reporting Guidelines (ARRG) Course dated July 23, 2024 6. Targeted Financial Sanctions (TFS) Course dated July 24, 2024 7. Cyber Security Awareness and Cyber Drill to the Board and Senior Management dated August 19, 2024

Name	Age & Nationality	Type of Directorship	Position	Education Attainment	Trainings Attended
Baby Lita C. Mernilo	48, Filipino	A non-executive trustee and holds no directorship or any position in any listed company.	Board Member (elected on September 6, 2023)	BS Computer Programming Undergraduate	<ol style="list-style-type: none"> 1. Online Investment Briefing in Cooperation with BPI Wealth dated March 4, 2024 2. CARD MBA Strategic Planning dated March 21-22, 2024 3. Cyber Security Awareness dated June 28, 2024 4. AML/CTF Fundamentals dated July 22, 2024 5. AMLC Registration And Reporting Guidelines (ARRG) Course dated July 23, 2024 6. Targeted Financial Sanctions (TFS) Course dated July 24, 2024 7. Cyber Security Awareness and Cyber Drill to the Board and Senior Management dated August 19, 2024
Marissa S. Florendo	59, Filipino	A non-executive trustee and holds no directorship or any position in any listed company.	Board Member (elected on September 6, 2023)	High School Graduate	<ol style="list-style-type: none"> 1. Online Investment Briefing in Cooperation with BPI Wealth dated March 4, 2024 2. CARD MBA Strategic Planning dated March 21-22, 2024 3. Cyber Security Awareness dated June 28, 2024 4. AML/CTF Fundamentals dated July 22, 2024 5. AMLC Registration And Reporting Guidelines (ARRG) Course dated July 30, 2024 6. Targeted Financial Sanctions (TFS) Course dated July 24, 2024 7. Cyber Security Awareness and Cyber Drill to the Board and Senior Management dated August 19, 2024
Shirley S. Alejan	42, Filipino	A non-executive trustee and holds no directorship or any position in any listed company.	Board Member (elected on September 9, 2024)	High School Graduate	<ol style="list-style-type: none"> 1. Orientation Program for New Board of Trustees dated October 24-25, 2024 2. Governance and AMLA Workshop dated October 28-30, 2024
Maria Nilda C. Badiola	51, Filipino	A non-executive trustee and holds no directorship or any position in any listed company.	Board Member (elected on September 9, 2024)	High School Graduate	<ol style="list-style-type: none"> 1. Orientation Program for New Board of Trustees dated October 24-25, 2024 2. Governance and AMLA Workshop dated October 28-30, 2024

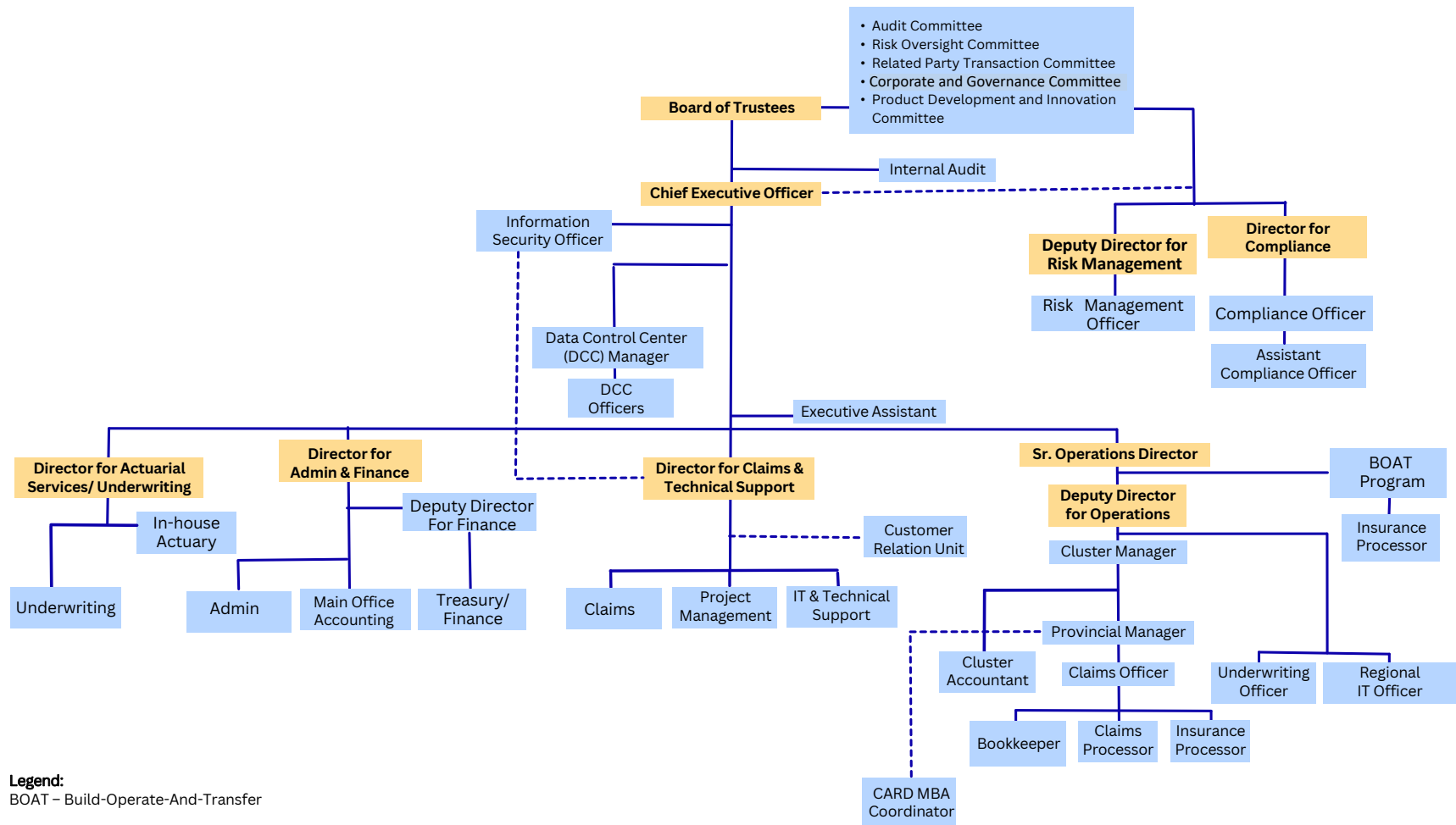
Name	Age & Nationality	Type of Directorship	Position	Education Attainment	Trainings Attended
Alma O. Geraldez	41, Filipino	A non-executive trustee and holds no directorship or any position in any listed company.	Board Member (elected on September 9, 2024)	BS Information Technology Undergraduate	1. Orientation Program for New Board of Trustees dated October 24-25, 2024 2. Governance and AMLA Workshop dated October 28-30, 2024
Cathlea O. Imbing	44, Filipino	A non-executive trustee and holds no directorship or any position in any listed company.	Board Member (elected on September 9, 2024)	High School Graduate	1. Orientation Program for New Board of Trustees dated October 24-25, 2024 2. Governance and AMLA Workshop dated October 28-30, 2024
Liezel J. Macoco	31, Filipino	A non-executive trustee and holds no directorship or any position in any listed company.	Board Member (elected on September 9, 2024)	High School Graduate	1. Orientation Program for New Board of Trustees dated October 24-25, 2024 2. Governance and AMLA Workshop dated October 28-30, 2024
Marilyn C. Saguibo	49, Filipino	A non-executive trustee and holds no directorship or any position in any listed company.	Board Member (elected on September 9, 2024)	BS Accountancy Graduate	1. Orientation Program for New Board of Trustees dated October 24-25, 2024 2. Governance and AMLA Workshop dated October 28-30, 2024
Vida T. Chiong	74, Filipino	Other Current Directorship and Officership: 1. Liberty Insurance Corporation 2. Bethel General Insurance and Surety Corporation 3. Premier Insurance and Surety Corporation 4. PhilPlans First Inc. Indepedent trustee	Independent Trustee since September 5, 2019 Chairman of Audit Committee	Bachelor of Science in Mathematics (1970) Diploma in Mathematics (1973) Master of Science in Management (1990) Doctor of Management Science Experiences: Insurance Commission (1981-1999) Deputy Insurance Commissioner (1999-2016)	1. AML/CTF Fundamentals dated July 29, 2024 2. AMLC Registration and Reporting Guidelines (ARRG) Course dated July 30, 2024 3. Targeted Financial Sanctions (TFS) Course dated July 11, 2024
Francis M. Puzon	75, Filipino	Other Current Directorship and Officership: 1. New Rural Bank of Agoncillo, Inc. 2. Kapatirang Kristiano sa San Juan Inc. 3. Morning Bells Learning Center Indepedent trustee	Independent Trustee since November 4, 2021 Chairman of Risk Oversight Committee	Experiences: Experienced Banker for over 35 years in a Universal and Commercial Bank handling Senior Management /Supervisory function relative to Compliance, Corporate Governance, Risk, Internal Audit and Controls, Credit & Collections and Remedial Management, Credit Review, Administration and Control, Branch Operations and Head Office Support Functions, Process Re- Engineering and Customer /Quality Service Function, among others.	1. Corporate Governance Scorecard Workshop for Insurance Companies dated April 23-24, 2024 2. AML/CTF Fundamentals dated August 19, 2024 3. AMLC Registration and Reporting Guidelines (ARRG) Course dated August 16, 2024 4. Targeted Financial Sanctions (TFS) Course dated August 9, 2024

Name	Age & Nationality	Type of Directorship	Position	Education Attainment	Trainings Attended
Rolando Robles	67, Filipino	Other Current Directorship and Officership: 1. CARD MRI Insurance Agency Inc. 2. Wealth Management Center of Research and Communications Independent trustee	Independent Trustee since November 4, 2021 Chairman of Corporate Governance and Related Party Transaction Committee	Cum Laude graduate of Bachelor of Science in Physics for Teachers in Philippine Normal College and De La Salle University under a Scholarship grant from the government. Experiences: He earned MBA Units from De La Salle University Business School, Finance for Executives: 1999 Asian Institute of Management (AIM), Finance for Non – Finance Senior Officers: 2002 Wharton Business School Certificate Program. He is a former President, Sun Life Asset Management Company Inc., Sun Life of Canada Philippines Inc. (1998 – 2003) Senior Vice President, Head of Distribution Channels, Sun Life of Canada Philippines Inc. (2003) Senior Vice President, Head of the Professional Sales Agency, Pioneer Life Inc. (2003 – 2019) Senior Vice President, Head of Individual Life Product Management, Pioneer Life Inc (2019 – 2020)	1. Corporate Governance Scorecard Workshop for Insurance Companies dated April 23-24, 2024 2. AML/CTF Fundamentals dated July 22, 2024 3. AMLC Registration and Reporting Guidelines (ARRG) Course dated July 23, 2024 4. Targeted Financial Sanctions (TFS) Course dated July 24, 2024

MANAGEMENT COMMITTEE

Jocelyn Dequito	Chief Executive Officer
Janet D. Caneo	Director for Administration and Finance
Oliver M. Reyes	Sr. Operations Director
Arlene R. Umandap	Director for Claims and Technical Support
Michael Kelvin N. Junos	Director for Actuarial Services
Jennifer O. Redublo	Director for Compliance
Ma. Joyce M. Alimagno	Deputy Director for Operations
Gina A. Nevado	Deputy Director for Operations
Mauricio B. Maur	Deputy Director for Operations
Francis R. Montilla	Deputy Director for Operations
Roy P. Jabonan	Deputy Director for Operations
Nice C. Macalalad	Deputy Director for Operations
Janicekith N. Navera	Deputy Director for Operations
Fidela C. Adan	Deputy Director for Risk Management
Catherine M. Patay	Sr. Cluster Manager

ORGANIZATIONAL CHART



Legend:
BOAT – Build-Operate-And-Transfer

WHEN REDIRECTION LEADS TO PURPOSE

In Bulacnin, Lipa City, 53-year-old Ligaya Mercado Tejada now lives a life filled with purpose. Her story isn't one of overnight success—it's a journey stitched with hardship, resilience, and a renewed calling.

Growing up in Marauoy, Lipa, Ligaya was no stranger to struggle. Her father passed away when she was young, and her mother raised five children on her own. To help out, Ligaya and her siblings sold ice candy, salt, and banana cue around the barangay. Their mother also made nilupak and sold it at the local high school just to keep food on the table.

She made it through high school, and by age 16, Ligaya was already working as a saleslady in Baclaran. Though she found success in the bustling marketplace, homesickness eventually brought her back to Lipa, where she worked at the canteen of a local corporation. It was here she met her future husband.

At 18, Ligaya married and started a simple life with her husband, who worked in the poultry operations of the same corporation. Ligaya continued working in the canteen, reselling Filipino delicacies. A year after their wedding, they built their first home and welcomed their first child. Embracing motherhood, Ligaya chose to focus on raising their children.

To support their growing family, Ligaya turned to buying and selling clothes and watches, and eventually opened a small sari-sari store at home. In 2006, she was introduced to CARD SME Bank by her neighbors. With access to financial support, she not only sustained her store but also expanded into building small apartments and rental spaces.

Then, the pandemic came.

In just a few months, the life Ligaya worked hard to build was shaken. Tenants moved out, income from rentals stopped, and she made the painful decision to sell some of the properties. With the proceeds, she purchased a modest home in Bulacnin, Lipa—a fresh start for her family.

But from that loss came an unexpected opportunity.

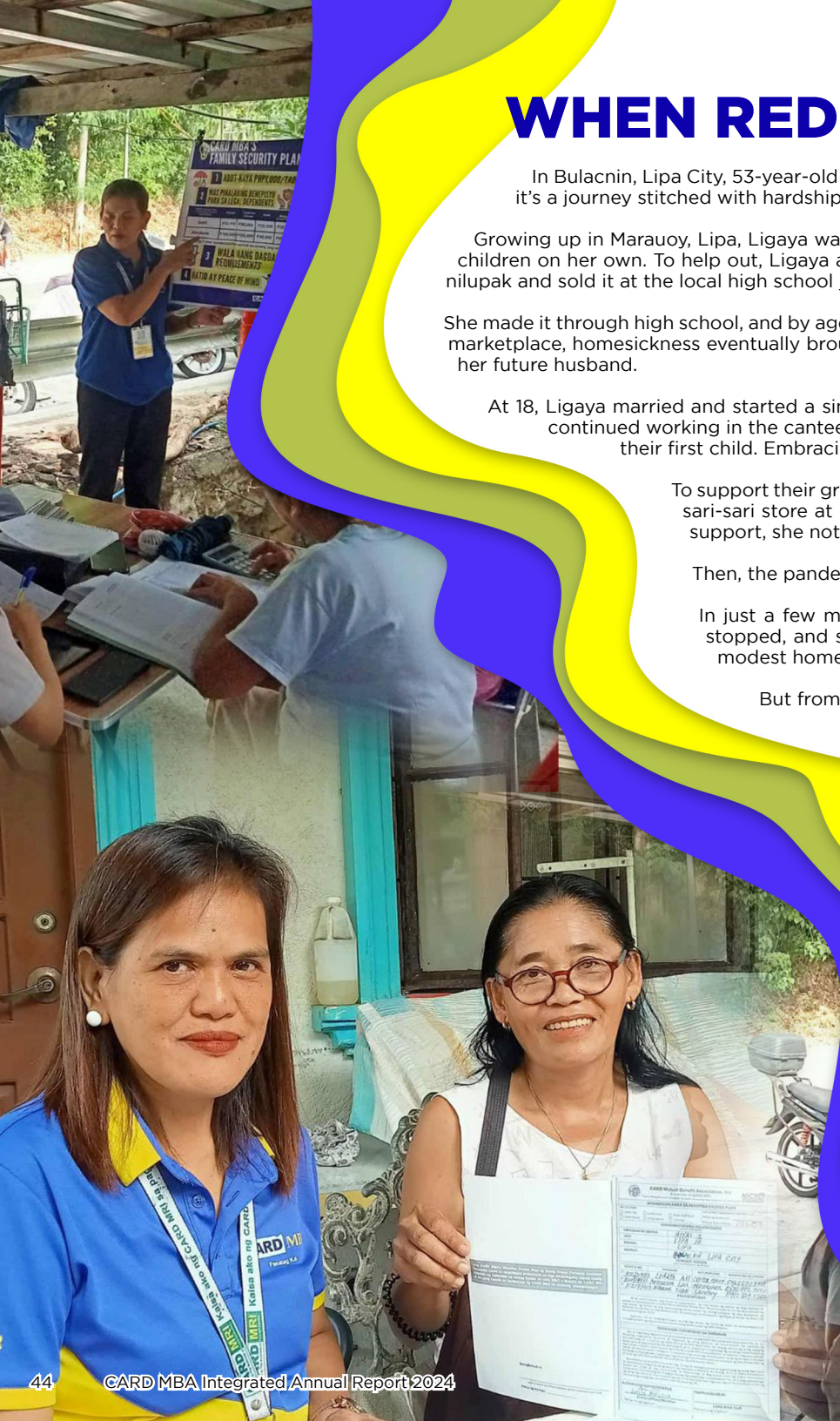
In 2022, a friend asked if she would be interested in becoming a CARD MBA Coordinator. It seemed like a small question, but for Ligaya, it opened a new path. She said yes, unaware that this role would bring her deeper fulfillment than she imagined.

As an MBA Coordinator, Ligaya found something she didn't know she had been looking for: a renewed sense of identity and connection. She began traveling, joining trainings and Lakbay Aral activities, learning more about microinsurance—and more importantly, about people. Her communication skills sharpened. Her confidence blossomed. And she became a voice for her fellow members in the community.

In her new role, Ligaya brought with her an entrepreneurial mindset—finding innovative ways to reach out to members, relay information, and explain complex concepts in simple, relatable terms. What began as a personal redirection evolved into community innovation. Her lived experiences became tools to help others understand and access the protection they needed.

Now, with her children grown and settled, Ligaya no longer runs a business. Her time is devoted to her advocacy through CARD MBA, where she listens, supports, and stands with others—helping them navigate life's uncertainties with dignity and care.

Ligaya's story is more than a comeback—it's a quiet innovation. In the face of adversity, she adapted, reimagined her purpose, and transformed her way of contributing to her community. From building homes to building hope, she continues to light the way forward toward poverty eradication—proving that innovation begins where compassion and courage meet.



BACK TO BASICS Commitment



"I commit to reinforcing our mission by guiding CARD MBA to refocus on client-centric microinsurance services, strengthening grassroots engagement, and upholding our core principles of transparency, accountability, and mutuality."

Ms. Jocelyn D. Dequito
Chief Executive Officer



"I will ensure efficient resource management and strict adherence to financial policies to support the sustainability of our basic operations and frontline services."

Ms. Janet D. Caneo
Director for Admin and Finance



"I will guarantee the timely and accurate processing of claims, while simplifying technical procedures for our field staff and members."

Ms. Arlene R. Umandap
Director for Claims and Technical Support



"I will strengthen our internal controls and policy compliance, ensuring that our practices remain aligned with regulations and CARD MBA's mission."

Ms. Jennifer O. Redublo
Director for Compliance



"I commit to ensuring our products remain financially sound and relevant by using data-driven analysis grounded in the realities of our members' lives."

Mr. Michael Kelvin N. Junos
Director for Actuarial Services



"I will ensure that risk management practices are aligned with on-the-ground realities, helping safeguard the Association's resources while supporting basic-level operations."

Ms. Fidela C. Adan
Deputy Director for Risk Management



"I aim to refine our monitoring systems and ensure all operations return to the basics, prioritizing member interaction, service accessibility, and field visibility."

Mr. Oliver M. Reyes
Senior Operations Director



"I will work to ensure that operational support strengthens field staff capacity to reconnect with members at the center level."

Mr. Mauricio B. Maur
Deputy Director for Operations



"I will focus on enhancing field implementation efficiency by empowering field staff to re-embrace community-based member servicing."

Ms. Joyce M. Alimagno
Deputy Director for Operations



"I will focus on enhancing field staff competencies and process flows to promote consistent and grounded microinsurance servicing."

Ms. Janicekith N. Navera
Deputy Director for Operations



"I will help recalibrate branch-level operations to be more responsive to members' needs, using data to drive grassroots-level improvements."

Mr. Francis Montilla
Deputy Director for Operations



"I will oversee initiatives that bring frontline processes closer to the members, ensuring local service delivery is simplified and aligned with basic principles."

Ms. Gina A. Nevado
Deputy Director for Operations



Audited Financial Statements

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Center for Agriculture and Rural Development (CARD) Mutual Benefit Association, Inc. (the Association), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in fund balance and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on the Supplementary 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 31 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such 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.

Bryan Chrisnel M. Baes
Partner
CPA Certificate No. 128627
Tax Identification No. 275-229-188
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-148-2022, November 7, 2022, valid until November 6, 2025
PTR No. 10465262, January 2, 2025, Makati City

April 25, 2025

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

STATEMENTS OF FINANCIAL POSITION

	December 31	
	2024	2023
ASSETS		
Cash and Cash Equivalents (Notes 6 and 26)	746,423,783	424,211,076
Financial Assets (Note 26)		
Loans and receivables – net (Note 8)	2,436,789,011	2,396,212,005
Held-to-maturity investments (Note 7)	33,782,961,612	29,319,276,883
Available-for-sale (AFS) financial assets (Note 9)	1,252,499,311	972,997,288
Accrued Income (Note 10)	755,836,773	576,237,368
Property and Equipment – net (Note 11)	104,006,545	99,941,176
Right-of-use Assets (Note 21)	18,932,786	16,031,160
Investment Properties (Note 12)	241,944,073	292,439,146
Investments in Associates (Note 13)	2,081,084,556	1,815,053,786
Pension Asset – net (Note 25)	42,341,540	40,596,479
Other Assets (Note 14)	34,366,898	34,581,190
	41,497,186,888	35,987,577,557
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable and accrued expenses (Notes 15 and 26)	86,930,960	35,594,839
Insurance contract liabilities (Notes 16 and 26)	18,271,408,459	16,230,094,448
Retirement fund (Note 17)	12,974,289,747	11,378,531,250
Lease liabilities (Note 21)	19,421,684	16,281,555
Total Liabilities	31,352,050,850	27,660,502,092
Fund Balance		
Appropriated fund balance (Note 28)	883,267,989	1,046,383,686
Unappropriated fund balance	9,022,603,234	7,279,391,131
Other comprehensive income (Notes 9, 13 and 25)	239,264,815	1,300,648
Total Fund Balance	10,145,136,038	8,327,075,465
	41,497,186,888	35,987,577,557

See accompanying Notes to Financial Statements.

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

(A Non-stock, Not-for-profit Association)

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2024	2023
REVENUE		
Members' contribution and premiums – micro (Note 18)	7,125,008,989	6,384,615,505
Reinsurance' share on gross earned premium on insurance contracts (Note 18)	(2,478,750)	(2,180,500)
Net premiums on insurance contracts	7,122,530,239	6,382,435,005
Investment income (Note 19)	1,190,154,076	1,016,753,976
Equity in net earnings of associates – net (Note 13)	249,456,758	268,795,131
Rental income (Notes 12 and 21)	20,390,196	19,883,857
Others	7,694,232	5,413,038
Other revenue	1,467,695,262	1,310,846,002
	8,590,225,501	7,693,281,007
BENEFITS, CLAIMS AND EXPENSES (Note 16)		
Gross change in insurance contract liabilities	1,998,472,012	1,891,217,482
Gross insurance contract benefits and claims paid	3,519,936,025	3,147,712,116
Insurance benefits and claims	5,518,408,037	5,038,929,598
GENERAL AND ADMINISTRATIVE EXPENSES (Note 20)		
	1,274,241,615	1,333,666,239
	6,792,649,652	6,372,595,837
EXCESS OF REVENUE OVER EXPENSES BEFORE PROVISION FOR TAXES		
	1,797,575,849	1,320,685,170
PROVISION FOR INCOME TAX (Note 23)	217,479,443	229,211,752
EXCESS OF REVENUE OVER EXPENSES		
	1,580,096,406	1,091,473,418
OTHER COMPREHENSIVE INCOME		
Item that will be reclassified to profit or loss in subsequent periods		
Fair value loss on AFS financial assets (Note 9)	224,038,724	(80,651,369)
Items that will not be reclassified to profit or loss in subsequent periods		
Remeasurement gain (loss) on defined benefit plan (Note 25)	(7,532,363)	463,124
Equity in other comprehensive income of associates (Note 13)	21,457,806	9,809,238
	237,964,167	(70,379,007)
TOTAL COMPREHENSIVE INCOME	1,818,060,573	1,021,094,411

See accompanying Notes to Financial Statements.

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

STATEMENTS OF CHANGES IN FUND BALANCE

	Appropriated Fund Balance (Note 28)	Unappropriated Fund Balance	Fair Value Gain (Loss) on AFS Financial Assets (Note 9)	Remeasurement of Actuarial Gains (Losses) (Note 25)	Equity in other comprehensive income of an associate (Note 13)	Total	Total Fund Balance
At January 1, 2024	1,046,383,686	7,279,391,131	(13,844,576)	5,551,991	9,593,233	1,300,648	8,327,075,465
Appropriation	103,408,952	(103,408,952)	—	—	—	—	—
Utilization of appropriation	(266,524,649)	266,524,649	—	—	—	—	—
Total comprehensive income:							
Excess of revenue over expenses	—	1,580,096,406	—	—	—	—	1,580,096,406
Other comprehensive income (loss)	—	—	224,038,724	(7,532,363)	21,457,806	237,964,167	237,964,167
At December 31, 2024	883,267,989	9,022,603,234	210,194,148	(1,980,372)	31,051,039	239,264,815	10,145,136,038
At January 1, 2023	1,165,161,205	6,069,140,194	66,806,793	5,088,867	(216,005)	71,679,655	7,305,981,054
Guaranty fund adjustment	(501,000)	501,000	—	—	—	—	—
Reversal of appropriation	(118,276,519)	118,276,519	—	—	—	—	—
Total comprehensive income:							
Excess of revenue over expenses	—	1,091,473,418	—	—	—	—	1,091,473,418
Other comprehensive income (loss)	—	—	(80,651,369)	463,124	9,809,238	(70,379,007)	(70,379,007)
At December 31, 2023	1,046,383,686	7,279,391,131	(13,844,576)	5,551,991	9,593,233	1,300,648	8,327,075,465

See accompanying Notes to Financial Statements.

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

STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses before provision for current and final tax	1,797,575,849	1,320,685,170
Adjustments for:		
Increase in aggregate reserves (Note 16)	1,998,472,012	1,891,217,482
Interest income (Notes 6, 7, 8 and 19)	(1,095,555,383)	(907,506,944)
Equity in net earnings of an associate - net (Note 13)	(249,456,758)	(268,795,131)
Dividend income (Notes 9 and 19)	(94,555,860)	(109,247,032)
Depreciation (Notes 11, 12, and 21)	55,718,579	46,112,193
Amortization of bond discount (Note 7)	(35,044,658)	(41,214,267)
Impairment losses (Note 20)	6,626,289	–
Gain on sale of property (Notes 11 and 12)	(3,273,522)	(3,727,770)
Pension expense – net (Note 25)	2,100,801	1,008,109
Interest expense on lease liability (Note 21)	178,768	852,510
Provision (Reversal of provision) for credit losses (Note 8)	1,321,264	(377,876)
Accounts written-off (Note 8)	(64,982)	(9,987)
Cash generated from operations before changes in working capital	2,384,042,399	1,928,996,457
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	7,828,382	(24,385,356)
Other assets	214,293	(9,966,948)
Increase (decrease) in:		
Retirement fund	1,595,758,498	1,590,966,398
Accounts payable and accrued expenses	50,571,017	22,451,574
Claims payable	42,842,000	(1,739,643)
Net cash generated from operations	4,081,256,589	3,506,322,482
Income taxes paid	(216,882,224)	(229,336,602)
Contribution to pension fund	(11,378,225)	–
Net cash provided by operating activities	3,852,996,140	3,276,985,880
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	915,955,978	773,358,824
Cash dividends received	213,873,165	241,139,478
Acquisitions of:		
Held-to-maturity investments (Note 7)	(9,439,634,920)	(10,583,302,273)
Short-term investments (Note 8)	(688,040,004)	(559,170,531)
Investments in associates (Note 13)	(114,433,510)	(118,018,750)
Available-for-sale financial assets (Note 9)	(55,463,299)	(50,000,000)
Property and equipment (Note 11)	(29,811,110)	(40,075,703)
Long-term investments (Note 8)	(6,331,160)	(100,417,311)
Investment properties (Note 12)	(2,972,051)	(4,350,603)

	Years Ended December 31	
	2024	2023
Proceeds from sale/maturities of:		
Held-to-maturity investments (Note 7)	5,010,994,849	5,944,881,810
Short-term investments (Note 8)	551,371,733	605,131,951
Long-term investments (Note 8)	92,980,257	489,560,057
Investment property (Note 12)	34,100,000	7,508,950
Loans (Note 8)		
Property and equipment (Note 11)	1,500,000	3,000,000
	459,926	17,825,426
Net cash flows used in investing activities	(3,515,450,146)	(3,373,648,675)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities (Note 21)	(15,333,287)	(11,762,873)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	322,212,707	(108,425,668)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	424,211,076	532,636,744
CASH AND CASH EQUIVALENTS AT END OF YEAR	746,423,783	424,211,076

See accompanying Notes to Financial Statements.

**CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT (CARD)
MUTUAL BENEFIT ASSOCIATION, INC.**
(A Non-stock, Not-for-profit Association)
NOTES TO FINANCIAL STATEMENTS

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 non-stock, 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 non-stock, not-for-profit and mutual benefit association, the Association was granted tax exemption with respect to income and value-added taxes (VAT) except for those activities which are conducted for profit and are not directly related to its main purpose as provided under the National Internal Revenue Code of 1997 as amended by Republic Act (RA) No. 8424 known as the Comprehensive Tax Reform Program by the Bureau of Internal Revenue (BIR).

On July 22, 2013, the BIR issued Revenue Memorandum Order (RMO) No. 20-2013, prescribing the policies and guidelines in availing the Tax Exemption Rulings to qualified non-stock, not-for-profit corporations and associations. It requires these corporations and associations to file their respective Applications for Tax Exemption/Revalidation with the revenue district office where they are registered. The said RMO also specified that failure to renew the Tax Exemption Ruling within its validity period of three years would revoke the qualified entity's exemption.

On October 29, 2013, the BIR issued RMO No. 28-2013, clarifying certain provisions of RMO 20-2013. It clarified that failure to renew the Tax Exemption Ruling shall be deemed revocation of the Tax Exemption Ruling upon the expiration of the three-year period.

On September 18, 2014, the BIR issued RMO No. 34-2014 clarifying certain provisions of RMO 20-2013, as amended by RMO 28-2013. It clarified that Tax Exemption Rulings do not confer tax exemptions which are not provided for by law, nor can Tax Exemption Rulings abrogate those exemptions which are granted by the law. Consistent with this nature of Tax Exemption Rulings, the absence of a valid, current and subsisting Tax Exemption Ruling will not operate to divest qualified entities of the tax exemption provided under the Constitution or Section 30 of the Tax Code.

On September 5, 2023, the Association received the tax exemption certificate for years 2021 to 2023. Moreover, on December 21, 2023, the Association received its tax exemption certificate for years 2024 to 2026.

The registered office address of the Association is 120 M. Paulino St., Corner P. Burgos St., Brgy. VII-D, San Pablo City, Laguna.

2. Basis of Preparation and Statement of Compliance

Basis for Preparation

The Association's financial statements have been prepared on a historical cost basis, except for 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) Accounting Standards.

3. Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Association has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Association.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*
- Amendments to PAS 16, *Lease Liability in Sale and Leaseback*

Future Changes in Accounting Policies

Pronouncements issued but not yet effective are listed below. The Association intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Association's financial statements.

Effective beginning on or after January 1, 2025

- Amendments to PAS 21, *Lack of Exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards – Volume 11
 - o Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - o Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - o Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - o Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - o Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of

entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- o A specific adaptation for contracts with direct participation features (the variable fee approach)
- o A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the Financial and Sustainability Reporting Standards Council (FSRSC) amended the mandatory effective date of PFRS 17 in the Philippines from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

On February 14, 2025, the FSRSC approved the amendment to PFRS 17 *Insurance Contracts* that further defers the date of initial application by an additional two (2) years, to annual periods beginning on or after January 1, 2027. This will provide more time for the insurance industry to fully prepare and assess the impact of adopting the said standard.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2027, with full retrospective application from the transition date is required. The transition date is the beginning of the annual reporting period immediately preceding the date of initial application. If it is impracticable to apply PFRS 17 retrospectively for a group of insurance contracts, the Association must apply either the modified retrospective approach or the fair value approach. Early application is permitted.

The Association does not intend to early adopt PFRS 17. The Association is continuously assessing the potential impact of all other changes including accounting policy choices available under PFRS 17 on how insurance contract liabilities are measured and the impact on presentation and disclosure of the financial results in the Association's financial statements.

The adoption of PFRS 17 requires significant changes to the Association's accounting and reporting processes.

A reliable estimate of the impact to the Association's financial statements arising from the initial application of PFRS 17 is not yet available.

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Accounting Standards Effective but not yet Adopted

- Amendments to PFRS 4, *Insurance Contracts*, Applying PFRS 9, *Financial Instruments*, with PFRS 4

The amendments address concerns arising from implementing PFRS 9, the new financial instrument standard before implementing the new insurance contract standard. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying PFRS 9 and an overlay approach. The temporary exemption is first applied for reporting periods beginning on or after January 1, 2018. An entity may elect the overlay approach when it first applies PFRS 9 and apply the approach retrospectively to financial assets designated on transition to PFRS 9. The entity restates comparative information reflecting the overlay approach if, and only if, the entity restates comparative information when applying PFRS 9.

Qualifying for temporary exemption from PFRS 9

The Association applied the temporary exemption from PFRS 9 as permitted by the amendments to PFRS 4, *Applying PFRS 9 Financial Instruments with PFRS 4 Insurance Contracts* issued in September 2016. The temporary exemption permits entities whose activities are predominantly connected with insurance to continue applying PAS 39 rather than PFRS 9 for annual periods beginning before January 1, 2027.

The assessment for whether a reporting entity's activities are predominantly connected with insurance is based on the liabilities connected with insurance in proportion to the entity's total liabilities. An entity may elect the temporary exemption if, and only if:

- o The carrying amount of its liabilities arising from contracts within the scope of PFRS 4 is significant compared to the total carrying amount of all its liabilities; and
- o The percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all of its liabilities is:
 - i. Greater than 90 percent; or
 - ii. Less than or equal to 90 percent but greater than 80 percent, and the insurer does not engage in a significant activity unconnected with insurance.

The predominance assessment is performed using the carrying amounts of liabilities reported on the statement of financial position at the annual reporting date December 31, 2015 and before December 31, 2018. Applying the requirements, the Association performed the predominance assessment using the Association's statement of financial position as of December 31, 2015.

The Association concluded that it qualified for the temporary exemption from PFRS 9 because its activities are predominantly connected with insurance. As at December 31, 2015, the Association's gross liabilities arising from contracts within the scope of PFRS 4 represented 94% of the total carrying amount of all its liabilities, and the Association did not engage into any significant activities not connected with insurance. Since December 31, 2015, there has been no change in the activities of the Association that requires reassessment of the use of the temporary exemption.

4. Material Accounting Policy Information

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.

Fair Value Measurement

For measurement and disclosures purposes, the Association determines the fair value of an asset or liability at initial measurement or at each reporting date.

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 nonfinancial 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.

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 loans 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.

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 effective interest rate (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.

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.

Long-term investments

Long-term investments are non-current assets that are not used in operating activities to generate revenues. In other words, long-term investments are assets that are held for more than one year or accounting period and are used to create other income outside of the normal operations of the Association.

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.

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 “general and administrative expenses” in the Association’s statement of comprehensive income.

As of December 31, 2024 and 2023, AFS financial assets include investments in mutual fund and investments in quoted and unquoted equity securities. Investments in mutual funds are initially recorded at fair value and revalued at year-end in reference to published net asset value. Meanwhile, investment in quoted and unquoted securities are initially recorded at cost, being the fair value of the investment at the time of acquisition.

HTM investments

HTM investments are non-derivative financial assets that comprise fixed or determinable income securities of which the Association has the positive intention and ability to hold until maturity. Investments intended to be held for an undefined period are not included in this classification. These investments are initially recognized at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. Subsequent to initial recognition, these investments are carried

at amortized cost, using the 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”, and other obligations that meet the above definition (other than liabilities covered by other accounting standards, such as income tax payable and pension liability).

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to set off the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Association assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Association and all of the counterparties.

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.

AFS financial assets

If an AFS financial asset 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 and is recorded under 'Provision for impairment losses' in 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.

Investments in Associates

An associate is an entity over which the Association has a significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The Association's investment in an associate is accounted for using the equity method.

Under the equity method, investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Association's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of income reflects the Association's share of the results of operations of the associate. Any change in OCI of the associate is presented as part of the Association's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Association recognizes its share of any changes, when applicable, in the statement of changes in fund balance. Unrealized gains and losses resulting from transactions between the Association and associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate are prepared for the same reporting period as the Association. The associate's accounting policies conform to those used by the Association for like transactions and events in similar circumstances.

Upon loss of significant influence over the associate, the Association measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in statement of income.

Property and Equipment

The Association's property and equipment consist of land, building, and equipment that do not qualify as investment properties.

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
Land improvement	10
Transportation equipment	7
Computer equipment	5
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.

Th 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 profit or loss.

Investment Properties

Investment properties comprise of land and building that are held to earn rentals or capital appreciation or both and that are not occupied by the Association.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and amortization and any impairment in value. Depreciation and amortization of investment properties are computed using the straight-line method over the estimated useful lives (EUL) of assets as follows:

	In Years
Building	10-15

The EUL and depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of investment properties.

Investment properties are derecognized when they have either been disposed of or when the investment properties are permanently withdrawn from use and no future benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in profit or loss in which it arises.

Expenditures incurred after the investment properties have been put into operations, such as repairs and maintenance costs, are normally charged to operations in the period in which the costs are incurred.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by the end of owner occupation or commencement of an operating lease to another party. Transfers are made from investment properties when, and only when, there is a change in use, as evidenced by commencement or owner occupation or commencement of development with a view to sale.

Impairment of Non-financial 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

Revenue from contracts with customers is recognized upon transfer of services to the customer at an amount that reflects the consideration to which the Association expects to be entitled in exchange for those services. The Association assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent.

Revenues outside the scope of PFRS 15

Members' contribution and premiums

Contributions and premiums are recognized when collected. When contributions and premiums are recognized, actuarial liabilities are computed, with the result that benefits and expenses are matched with such revenue. The Association collects its contributions and premiums through the following affiliates that are considered as collecting institutions: (a) CARD Bank, Inc., (b) CARD, Inc., (c) CARD SME Bank, Inc., (d) CARD MRI Rizal Bank, Inc. (e) CARD Leasing and Finance Corp., and (f) CARD Employee Multi-Purpose Cooperative and all BOAT partners.

Interest income

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

Rental income

Rental income is the income generated from the investment properties of the Association and recognized when earned.

Dividend income

Dividend income is recognized when the Association's right to receive the payment is established.

Other income

Income from other sources is recognized when earned.

Equity in net earnings of associates

Equity in net earnings of associates are recognized based on the share in net income and other comprehensive income of the investee at year-end.

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 in compliance with the statutory requirements as set by the IC where the assumptions used are based on 50.00% of gross premiums of the Association for the year. Valuation standards for life insurance policy reserves, requiring insurance companies to calculate the reserves for traditional life insurance policies with a term of one year or less using unearned premium method.

Golden life contract liabilities

Golden life insurance contract liabilities are recognized when the contracts are entered into and the premiums are recognized. The reserve for golden life insurance contracts is calculated on the basis of a prudent prospective actuarial valuation method wherein the assumptions used are the 1980 Commissioners Standard Ordinary (CSO) Male - Age Nearest Birth Table for mortality and 4.00% as discount rate per annum. Both assumptions are duly approved by IC.

Golden Life Insurance Program (GLIP)

Golden Life Insurance Program (GLIP) contract liabilities are recognized when contracts are entered into and the premiums are recognized. The policy reserves for Golden Life is calculated using the Net Premium Valuation (NPV) Method. It is calculated as the expected present value of future benefits less the expected value of the future premiums arising from the policy. The assumptions used are discount rate and mortality rate which are based on the pricing assumptions as indicated in the Actuarial Notes. The discount rate is at 3.75% per annum and 100.00% of 1980 Commissioner's Standard Ordinary (CSO) Male – Age Nearest Birthday for the mortality rate.

Basic Life Insurance Program (BLIP) Extension Plan

Basic Life Insurance Program (BLIP) Extension Plan contract liabilities are recognized when the contracts are entered into and the premiums are recognized. The reserves for BLIP Extension Plan is calculated using the Net Premium Valuation (NPV) Method. It is calculated as the expected present value of future benefits less the expected value of the future premiums arising from the policy. The assumptions used are discount rate and mortality rate which are based on the pricing assumptions as indicated in the Actuarial Notes. The discount rate is at 3.50% per annum and the mortality rate used is 100.00% of the Philippine Intercompany Mortality Table. These assumptions are duly approved by the Insurance Commission.

Katuparan Plan

Katuparan Plan contract liabilities are recognized when the contracts are entered into and the premiums are recognized. The reserve for the Katuparan Plan is calculated as 50% of the gross premium collection for the year.

Remitter Protek Plan

Remitter Protek Plan contract liabilities are recognized when the contracts are entered into and the premiums are recognized. The reserve for Remitter Protek Plan is computed using the unearned net premiums reserves method.

Family Security Plan

Family Security Plan contract liabilities are recognized when the contracts are entered into and the premiums are recognized. The reserve for Family Security Plan is calculated using the Unearned Premium Reserve.

AcciPlan

Acciplan contract liabilities are recognized when the contracts are entered into and the premiums are recognized. The reserve for AcciPlan is calculated using the Unearned Premium Reserve.

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 is computed using the unearned net premium reserves method.

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 measured using the chain ladder method, based on a reasonable estimate of ultimate claim amounts. 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.

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. 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 Association determines at contract inception whether a contract is, or contains, a lease by assessing whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Association as a lessee

The Association applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Association recognizes right-of-use assets representing the right to use the underlying assets and lease liabilities to make lease payments

- **Right-of-use assets**

At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Association recognizes right-of-use assets measured at cost. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Subsequent to initial recognition, the Association measures the right-of-use assets at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

Unless the Association is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. Right-of-use assets are subject to impairment.

- **Lease liabilities**

At the commencement date of the lease, the Association recognizes lease liabilities measured at the present value of lease payments to be made over the lease term discounted using the Association's incremental borrowing rate with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The lease payments include fixed payments, any variable lease payments that depend on an index or a rate, and any amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Association and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Association uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date of the lease, the Association measures the lease liabilities by increasing the carrying amount to reflect interest on the lease liabilities (recorded in 'Interest expense on bills payable and other borrowings'), reducing the carrying amount to reflect the lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

- **Short-term leases and leases of low-value assets**

The Association applies the short-term lease recognition exemption to its leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option, and the leases of low-value assets recognition exemption to its leases of office spaces and other equipment that are considered of low value (i.e., below 350,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense under 'Occupancy and equipment-related costs' on a straight-line basis over the lease term.

The Association as a lessor

In operating leases where the Association does not transfer substantially all the risks and rewards incidental to ownership of an asset, the Association recognizes rental income on a straight-line basis over the lease terms. The Association adds back the initial direct costs incurred in negotiating and arranging an operating lease to the carrying amount of the leased asset and recognizes them as rental income over the lease term on the same basis. The Association recognizes contingent rents as revenue in the period in which they are earned.

Income Tax

Current Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the end of the reporting period.

Provisions

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

Contingent Liabilities and Contingent Assets

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

Events After the Reporting Period

Any post year-end event that provides additional information about the Association's position at the reporting date (adjusting event) is reflected in the financial statements. Post year-end events that are not adjusting events, if any, are disclosed in the notes to the financial statements, when material.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements in accordance with PFRS Accounting Standards 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

a. 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.

The significance of insurance risk is dependent on both the probability of an insured event and the magnitude of its potential effect. As a general guideline, the Association defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that are at least 10.00% more than the benefits payable if the insured event did not occur.

b. 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.

c. 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 fair values of the Association's financial instruments are disclosed in Note 26.

Estimates

a. 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, 2024 and 2023, the fair value of AFS financial assets amounted to 1.25 billion and 0.97 billion, respectively (see Note 9). In 2024 and 2023, no impairment losses were recognized on AFS financial assets.

b. 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.

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.

The net pension asset amounted to 42.34 million and 40.60 million as of December 31, 2024 and 2023, respectively (see Note 25).

c. 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 26 for the key assumptions used in the estimation of provision for reserves.

d. Contingencies

The Association estimates basic contingency reserve for payment of claims or obligations computed on the basis of a prudent prospective actuarial assumptions. Basic contingency reserve is set on Membership Certificates to meet the contractual obligation, other than the Member's Equity Value, as it falls due. The estimate is based on mortality, disability, and morbidity rate assumptions.

6. Cash and Cash Equivalents

This account consists:

	2024	2023
Cash on hand	200,000	200,000
Cash in banks	210,560,425	72,866,687
Cash equivalents	535,663,358	351,144,389
	746,423,783	424,211,076

Cash in banks earns interest at the prevailing bank deposit rates ranging from 0.06% to 1.00% and from 0.01% to 0.50% in 2024 and 2023, respectively.

Cash equivalents are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Association and earn interest at the prevailing rates ranging from 4.70% to 6.00% and from 5.13% to 6.00% in 2024 and 2023, respectively.

Interest income earned from cash and cash equivalents amounted to 22.91 million and 14.39 million in 2024 and 2023, respectively (see Note 19). Accrued income from cash and cash equivalents amounted to 1.78 million and 0.86 million as of December 31, 2024 and 2023, respectively (see Note 10).

7. Held-to-Maturity Investments

As of December 31, 2024 and 2023, the carrying amounts and fair values of these securities follow:

	2024		2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Fixed treasury notes	23,805,851,413	23,391,561,490	19,666,126,309	19,394,527,960
Retail treasury bonds	6,322,672,818	6,275,557,487	6,265,667,697	6,186,429,831
Treasury bills	2,637,700,349	2,750,707,005	2,466,622,360	2,577,476,466
Corporate bonds	1,016,737,032	986,838,703	920,860,517	896,781,498
	33,782,961,612	33,404,664,685	29,319,276,883	29,055,215,755

These investments bear annual interest rates ranging from 2.63% to 8.75% and from 2.38% to 8.63% in 2024 and 2023, respectively. These will mature between fifteen (15) days and ten (10) years from the statement of financial position date. Interest income from these investments amounted to 1.01 billion and 807.62 million in 2024 and 2023, respectively (see Note 19). Accrued income from these investments amounted to 442.45 million and 342.32 million in 2024 and 2023, respectively (see Note 10).

The rollforward analysis of HTM investments follows:

	2024	2023
At January 1	29,319,276,883	24,639,642,153
Additions	9,439,634,920	10,583,302,273
Amortization of bond discount	35,044,658	41,214,267
Maturities	(5,010,994,849)	(5,944,881,810)
At December 31	33,782,961,612	29,319,276,883

As of December 31, 2024 and 2023, HTM investments include government securities classified as guaranty fund amounting to 178.88 million (see note 26). These investments are deposited with the IC, in accordance with the provisions of Section 405 of the 2013 Revised Insurance Code, as security for the benefit of policyholders and creditors of the Association.

8. Loans and Receivables

As of December 31, 2024 and 2023, the Association's loans and receivables are as follows:

	2024	2023
Receivables – net	60,411,642	69,853,811
Short-term investments	302,531,667	165,863,395
Long-term investments	2,073,845,702	2,160,494,799
	2,436,789,011	2,396,212,005

Receivables

This account consists of:

	2024	2023
Advances for future stock subscription (Note 9)	36,367,322	52,596,987
Notes receivable	5,000,000	5,000,000
Receivables from:		
Related parties (Note 22)	1,258,847	9,112,947
Members and employees	1,167,650	950,998
Loans receivable (Note 22)	–	1,500,000
Others	17,933,257	1,894,527
	61,727,076	71,055,459
Less: Allowance for probable losses	1,315,434	1,201,648
	60,411,642	69,853,811

Advances for stock subscription pertains to payments made for the investments to Rizal College of Laguna, Inc. (RCLI), Matapat Holdings, Inc. (MHI), CARD MRI Hijos Tours, Inc. (CMHTI), CARD PCPD Medical Center, Inc. (CPMCI), and PCPD CARD Clinic, Inc. in 2024 and CARD Leasing and Finance Corporation (CLFC), RCLI and MI Health Care, Inc. in 2023. The stocks of the entities mentioned are not yet issued to the Association as of December 31, 2024.

Notes receivable pertain to the payment made to Asian Breast Cancer (ABC), Inc. The notes are convertible to common shares after the specified conversion period in the contract.

Receivables from related parties pertain to premiums collected by related parties from the Association's members. These are generally 1 to 30-day terms.

Receivables from members and employees include receivables from the Association's members of Build-Operate and Transfer (BOAT) program representing unremitted premiums. It also includes receivables from the Association's employees due to the excess claims and benefits disbursed to its members. These receivables are expected to be settled and collected within thirty (30) days.

Loans receivable pertain to loan agreements of the Association with CARD MRI Property Management, Inc. (CMPMI). The movements in loans receivable follow:

	2024	2023
At January 1	1,500,000	4,500,000
Principal collections	(1,500,000)	(3,000,000)
At December 31	–	1,500,000

Terms and conditions of the loan follows:

	2023				
	Outstanding balance	Release date	Interest rate	Terms	Maturity Date
CARD MRI Property Management, Inc.	1,500,000	May 16, 2019	5.711% per annum	Interest is payable every quarter and principal amount of loan is payable every 6 months.	May 16, 2024

Total interest income received from the loans receivable amounted to 0.04 million and 0.21 million in 2024 and 2023, respectively (see Note 19).

As of December 31, 2024 and 2023, allowance for probable losses for receivables determined based on specific identification and assessment follows:

	Receivables from Related Parties (Note 22)	Other Receivables	Total
At January 1, 2023	40,392	149,119	589,511
Write-off		(1,987)	(1,987)
Provision (Reversal) for probable losses	4,916	(22,792)	(177,876)
At December 31, 2023	85,308	16,340	201,648
Write-off		(4,982)	(4,982)
Provision (Reversal of allowance) for probable losses	(22,296)	01,064	78,768
At December 31, 2024	3,012	252,422	315,434

Short-Term Investments

Short-term investments are money market placements with maturities of more than three (3) months but less than one (1) year and bear annual interest at 6.08% in 2024 and rates that ranged from 4.90% to 5.40% in 2023. Interest income earned from these investments amounted to 19.31 million and 8.59 million in 2024 and 2023, respectively (see Note 19).

The rollforward analysis of short-term investments follows:

	2024	2023
At January 1	165,863,395	211,824,815
Additions	809,485,364	547,673,073
Interest earned/Adjustment	(121,445,360)	11,497,459
Maturities	(551,371,733)	(605,131,951)
At December 31	302,531,667	165,863,395

Long-term investments

The long-term investments are placements with maturity of more than one (1) year but less than five (5) years that bear annual interest of 3.00% to 5.00% in 2024 and 2023. Interest income earned from these investments amounted to 47.09 million and 76.69 million in 2024 and 2023, respectively (see Note 19).

The rollforward analysis of long-term investments follows:

	2024	2023
At January 1	2,160,494,799	2,549,637,545
Additions	6,331,160	100,417,311
Maturities	(92,980,257)	(489,560,057)
At December 31	2,073,845,702	2,160,494,799

Accrued interest income from total loans and receivables amounted to 311.61 million and 233.05 million in 2024 and 2023, respectively (see Note 10).

9. Available-for-Sale Financial Assets

This account consists of:

	2024	2023
Unquoted equity securities	1,013,192,478	787,402,766
Mutual funds	135,256,833	131,594,522
Quoted equity securities	104,050,000	54,000,000
	1,252,499,311	972,997,288

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

	Unquoted Equity Securities	Mutual Funds	Quoted Equity Securities	Total
At January 1, 2023	875,221,475	128,427,182	—	1,003,648,657
Additions	—	—	50,000,000	50,000,000
Fair value gains (losses)	(87,818,709)	3,167,340	4,000,000	(80,651,369)
At December 31, 2023	787,402,766	131,594,522	54,000,000	972,997,288
Additions	5,463,299	—	50,000,000	55,463,299
Fair value gains (losses)	220,326,413	3,662,311	50,000	224,038,724
At December 31, 2024	1,013,192,478	135,256,833	104,050,000	1,252,499,311

Details of the Association's investments in unquoted equity securities follow:

	2024			2023		
	Amount	Shares	Percentage of ownership	Amount	Shares	Percentage of ownership
CARD Bank, Inc.*	824,484,791	3,783,776	66.00%	674,874,287	3,783,776	66.00%
CARD MRI Rizal Bank, Inc.*	145,387,066	589,017	58.51%	80,300,688	589,017	58.51%
CLFC	39,872,951	84,633	5.01%	28,997,327	40,000	4.00%
EMSHI	2,251,260	10,800	7.20%	2,139,832	10,800	7.20%
BAKAWAN Data Analytics, Inc.	1,063,100	10,631	16.00%	—	—	—
UniHealth, Inc.	133,310	1,000	0.13%	1,090,632	1,000	0.13%
	1,013,192,478			787,402,766		

*Ownership in preferred shares

Preferred shareholders in CARD Bank, Inc. (CBI) and CARD MRI Rizal Bank, Inc. (CMRBI) are entitled to a dividend rate of 6.00% and 8.00% per annum, respectively. Preferred shares in CBI and CMRBI are cumulative, non-voting and non-redeemable.

Dividends received from investment in CBI's preferred shares amounted to 75.68 million and 90.81 million in 2024 and 2023, respectively (see Note 19). No additional shares acquired in 2024 and 2023.

Dividends received from investment in CMRBI's preferred shares amounted to 11.78 million and 14.14 million in 2024 and 2023, respectively (see Note 19). No additional shares acquired in 2024 and 2023.

The Association also received cash dividend from CLFC amounting to 2.20 million and 2.40 million in 2024 and 2023, respectively (see Note 19).

In 2024, the Association received a cash dividend from EMSHI amounting to 0.90 million (see Note 19).

In 2024, the Association acquired 10,631 shares of BAKAWAN Data Analytics, Inc. amounting to 1.06 million.

Investments in mutual funds have the following details:

	2024		2023	
	Amount	Units	Amount	Units
Sun Life Peso Balance Fund	135,064,315	38,565,563	131,408,299	38,565,563
Sun Life Bond Fund	192,518	56,218	186,223	56,218
	135,256,833		131,594,522	

Details of the Association's investments in quoted equity securities follow:

	2024			2023		
	Amount	Shares	Percentage of ownership	Amount	Shares	Percentage of ownership
ACEN Corporation	52,800,000	50,000	0.30%	54,000,000	50,000	0.30%
Vista Land and Lifescapes, Inc.	51,250,000	500,000	3.19%	—	—	—
	104,050,000			54,000,000		

In 2023, the Association acquired 50,000 preferred shares of ACEN Corporation amounting to 50.00 million. The dividend received amounted to 4.00 million and 1.00 million in 2024 and 2023, respectively.

In 2024, the Association acquired 500,000 shares of Vista Land and Lifescapes, Inc. amounting to 50.00 million.

The change in reserve for fluctuation in value of the investments in AFS investments amounted to 224.04 million increase and 80.65 million decrease in 2024 and 2023 presented in the statements of comprehensive income.

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

	2024	2023
At January 1	(13,844,576)	66,806,793
Fair value gains (losses) on AFS financial assets		
Unquoted equity shares	220,326,413	(87,818,709)
Mutual funds	3,662,311	3,167,340
Quoted equity shares	50,000	4,000,000
Total fair value	210,194,148	(80,651,369)
At December 31	210,194,148	(13,844,576)

10. Accrued Income

This account consists of:

	2024	2023
Interest receivable on:		
Cash and cash equivalents (Note 6)	1,776,544	860,994
Held-to-maturity investments (Note 7)	442,449,453	342,323,099
Loans and receivables (Note 8)	311,610,776	233,053,275
	755,836,773	576,237,368

11. Property and Equipment - net

The rollforward analysis of this account follow:

	2024							Total
	Land	Land improvement	Transportation equipment	Computer and office equipment	Office furniture and fixtures	Building	Construction in Progress	
Cost								
At January 1	44,793,012	4,074,580	133,000	35,169,240	1,872,919	94,693,111	—	180,735,862
Additions	—	8,736	—	25,018,302	691,951	3,688,629	—	29,407,618
Derecognition	—	—	—	(8,001,358)	(347,699)	(432,087)	—	(8,781,144)
At December 31	44,793,012	4,083,316	133,000	52,186,184	2,217,171	97,949,653	—	201,362,336
Accumulated depreciation								
At January 1	—	897,008	51,739	13,526,392	809,318	65,399,506	—	80,683,963
Depreciation (Note 20)	—	414,798	31,631	11,641,202	619,507	11,241,733	—	23,948,871
Derecognition	—	—	—	(7,713,290)	(339,480)	(432,087)	—	(8,484,857)
At December 31	—	1,311,806	83,370	17,454,304	1,089,345	76,209,152	—	96,147,977
Accumulated impairment loss								
At January 1	—	—	—	—	—	110,723	—	110,723
Impairment loss (Note 20)	1,097,091	—	—	—	—	—	—	1,097,091
At December 31	1,097,091	—	—	—	—	110,723	—	1,207,814
Net book value	43,695,921	2,771,510	49,630	34,731,880	1,127,826	21,629,778	—	104,006,545

	2023							Total
	Land	Land improvement	Transportation equipment	Computer and office equipment	Office furniture and fixtures	Building	Construction in Progress	
Cost								
At January 1	75,734,112	1,287,428	239,578	30,589,248	2,526,718	91,401,628	4,210,209	205,988,921
Additions	—	2,787,152	—	14,058,103	806,017	3,784,112	1,998,418	23,433,805
Derecognition	(30,941,100)	—	(106,578)	(9,483,611)	(1,427,816)	(669,877)	—	(42,628,982)
Reclassification	—	—	—	5,500	(32,000)	177,248	(177,248)	(26,500)
Transfer to investment property (Note 12)	—	—	—	—	—	—	(6,031,379)	(6,031,379)
At December 31	44,793,012	4,074,580	133,000	35,169,240	1,872,919	94,693,111	—	180,735,862
Accumulated depreciation								
At January 1	—	669,739	128,766	14,336,347	1,681,558	56,667,162	—	73,483,572
Depreciation (Note 20)	—	227,269	29,551	8,668,660	487,578	9,402,223	—	18,815,281
Derecognition	—	—	(106,578)	(9,478,615)	(1,359,818)	(669,879)	—	(11,614,890)
At December 31	—	897,008	51,739	13,526,392	809,318	65,399,506	—	80,683,963
Accumulated impairment loss								
At January 1 and December 31	—	—	—	—	—	110,723	—	110,723
Net book value	44,793,012	3,177,572	81,261	21,642,848	1,063,601	29,182,882	—	99,941,176

Gain on sale of land amounted to 2.83 million in 2023.

As of December 31, 2024 and 2023, the cost of fully depreciated property and equipment still in use amounted to 0.05 million and 0.43 million, respectively.

Depreciation of property and equipment included in the general and administrative expenses amounted to 23.95 million and 18.82 million in 2024 and 2023, respectively (Note 20).

12. Investment Properties – net

The rollforward analysis of this account follow:

	2024		
	Land	Building	Total
Cost			
At January 1	265,552,231	147,904,136	413,456,367
Additions	–	2,972,051	2,972,051
Disposal	(30,826,478)	–	(30,826,478)
At December 31	234,725,753	150,876,187	385,601,940
Accumulated depreciation			
At January 1	–	108,586,007	108,586,007
Depreciation (Note 20)	–	17,111,449	17,111,449
At December 31	–	125,697,456	125,697,456
Accumulated impairment loss			
At January 1	11,311,686	1,119,528	12,431,214
Impairment loss	2,037,455	3,491,742	5,529,197
At December 31	13,349,141	4,611,270	17,960,411
Net book value	221,376,612	20,567,461	241,944,073

	2023		
	Land	Building	Total
Cost			
At January 1	271,423,726	138,260,739	409,684,465
Additions	738,585	3,612,018	4,350,603
Disposal	(6,610,080)	–	(6,610,080)
Transfer from PPE	–	6,031,379	6,031,379
At December 31	265,552,231	147,904,136	413,456,367
Accumulated depreciation			
At January 1	–	92,709,629	92,709,629
Depreciation (Note 20)	–	15,876,378	15,876,378
At December 31	–	108,586,007	108,586,007
Accumulated impairment loss			
At January 1 and December 31	11,311,686	1,119,528	12,431,214
Net book value	254,240,545	38,198,601	292,439,146

The investment properties have a total fair value of 449.61 million and 402.87 million as of December 31, 2024 and 2023, respectively. The fair value of the properties is based on valuation performed by CARD MRI Organization and Administration Unit, an external appraiser with a recognized and relevant professional qualification and with recent experience in the location and category of the investment properties being valued. The appraised value of investment property is classified under Level 3 of fair value hierarchy. This is determined using sales comparison approach. This is a comparative approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. Listings and offerings may also be considered. The properties used as basis for comparison are situated within the subject building and land nearby. Comparison would be premised on the factors such as floor level location, interior finishes, parking slot allocation and facilities offered and the time element.

The Association has determined that the highest and best use of the property is its current use.

The gain on sale of land amounted to 3.27 million and 0.90 million in 2024 and 2023, respectively.

The Association earned rental income amounting to 20.39 million and 19.88 million from its investment properties in 2024 and 2023, respectively (see Note 21).

Depreciation of investment property included in the general and administrative expenses amounted to 17.11 million and 15.88 million in 2024 and 2023, respectively (see Note 20).

13. Investments in Associates

This account consists of the following:

	2024	2023
Acquisition cost	883,423,593	703,330,883
Additional investments during the year	114,433,510	118,738,750
Accumulated equity in net earnings - net	1,052,176,414	983,390,919
Accumulated equity in other comprehensive income	31,051,039	9,593,234
	2,081,084,556	1,815,053,786

The total undistributed accumulated equity in associates' net earnings are included in the Association's unappropriated fund balance.

Details of the Association's investments in associates follow:

	2024		2023	
	Amount	Percentage*	Amount	Percentage*
CARD Pioneer Microinsurance, Inc.	1,232,440,153	46.08%	1,129,673,125	46.08%
CARD MRI Information Technology, Inc.	308,284,017	37.20%	280,471,100	37.20%
CARD MRI Property Management, Inc.	289,870,580	36.92%	254,193,638	36.92%
Matapat Holdings, Inc.	74,293,692	35.01%	47,993,487	35.01%
CARD MRI Holdings, Inc.	63,579,192	23.10%	50,104,705	23.15%
MI Healthcare, Inc.	44,162,754	42.00%	–	–
BotiCARD, Inc.	34,809,312	30.05%	33,075,504	30.05%
CARD MRI Astro Laboratories, Inc.	16,860,423	32.00%	15,828,586	32.00%
CARD Clinics and Allied Services, Inc.	12,276,493	28.57%	–	–
CARD MRI Publishing House, Inc.	2,892,567	22.83%	2,450,267	22.83%
CARD MRI Hijos Tours, Inc.	1,615,373	18.36%	1,263,374	18.38%
	2,081,084,556		1,815,053,786	

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

CARD Pioneer Microinsurance, Inc. (CPMI)

The details of this investment follow:

	2024	2023
Acquisition cost	336,580,753	336,580,753
Accumulated equity in net earnings		
At January 1	792,333,462	689,723,182
Equity in net earnings	143,100,784	163,793,777
Cash dividends received	(40,963,712)	(61,183,497)
At December 31	894,470,534	792,333,462

	2024	2023
<i>(Forward)</i>		
Accumulated equity in other comprehensive income		
At January 1	758,910	758,910
Equity in other comprehensive income (loss)	(629,956)	–
At December 31	1,388,866	758,910
	1,232,440,153	1,129,673,125

On July 16, 2013, the Association entered into an agreement with CPMI for the purchase of 2,303,428 shares at 100.00 par value representing 47.00% ownership in CPMI. On September 30, 2013, the consideration paid to CPMI amounted to 257.98 million. No goodwill was recognized since the consideration paid is equal to the proportionate ownership in CPMI. In 2014, an amount of 0.06 million was added to the investment in CPMI representing adjustments at the time of its acquisition.

In 2016, the Association invested additional 27.74 million in CPMI representing contributed surplus in order for CPMI to meet the minimum capitalization requirement by IC. Moreover, the 65.47 million equity in net earnings is net of the 6.79 million dilution on investment in CPMI resulting from the decrease of the Association's percentage ownership from 47.00% to 46.08% in December 2016. This decrease is the result of the Association's waiver of its pre-emptive right over the remaining unissued authorized capital stock of CPMI.

In 2021, the Association received a 575,980 stock dividend from CPMI amounting to 57.60 million.

In 2024 and 2023, the Association received a cash dividend amounting to 40.96 million and 61.18 million, respectively.

CARD MRI Information Technology, Inc. (CMIT)

The details of this investment follow:

	2024	2023
Acquisition cost		
At January 1	185,580,500	179,304,900
Stock dividends	–	6,275,600
At December 31	185,580,500	185,580,500
Accumulated equity in net earnings		
At January 1	87,731,744	73,187,862
Equity in net earnings	75,799,062	79,990,170
Cash dividends received	(76,088,005)	(59,170,688)
Stock dividends received	–	(6,275,600)
At December 31	89,476,640	87,731,744
Accumulated equity in other comprehensive income		
At January 1	7,158,856	744,403
Equity in other comprehensive income (loss)	28,101,860	6,414,453
At December 31	35,260,716	7,158,856
	308,284,017	280,471,100

In 2011, the Association subscribed to 400,000 common shares at 100.00 par value representing 40.00% ownership in CMIT. In 2019, the Association subscribed additional 69,130 common shares at 100.00 par value amounting to 6.91 million. In 2020, additional 263,637 common shares at

100.00 par value was subscribed by the Association. Furthermore, CMIT issued new shares in 2020 to other investors, causing a decrease in the Association's percentage of ownership from 40.00% to 37.58%.

In 2022, the Association subscribed additional 335,584 common shares at 100.00 par value amounting 33.56 million. In 2023, stock dividend from CMIT was received amounting to 6.28 million or 62,756 common shares.

In 2024 and 2023, the Association received cash dividend from CMIT amounting to 76.09 million and 59.17 million, respectively.

CARD MRI Property Management, Inc. (CMPMI)

The details of the investment follow:

	2024	2023
Acquisition cost		
At January 1	247,357,200	139,943,600
Additional investments	30,458,200	107,413,600
At December 31	277,815,400	247,357,200
Accumulated equity in net earnings		
At January 1	7,436,026	2,591,169
Equity in net earnings	5,633,098	4,844,857
At December 31	13,069,124	7,436,026
Accumulated equity in other comprehensive loss		
At January 1	(599,588)	(599,588)
Equity in other comprehensive income (loss)	(414,356)	–
	(1,013,944)	(599,588)
	289,870,580	254,193,638

In October and November 2016, the Association invested in 146,000 shares of CMPMI with par value of 100 representing 40.00% ownership. In 2017, additional placement was made amounting to 36.00 million. In 2020, additional 150,000 common shares at 100 par value amounting to 15.00 million was subscribed by the Association. However, despite the placements made in 2020, the Association's percentage of ownership decreased from 40.00% to 35.00% brought by the additional investments of new investors in CMPMI.

In 2021, the Association acquired additional 80,631 common shares at 100 par amounting to 8.06 million. The Association's percentage of ownership decreased from 35.00% to 34.68% brought by the additional investments of new investors in CMPMI.

In 2022, the Association received a 13,855 stock dividend amounting to 1.38 million and 81.00 cash dividend.

In 2023, stock certificates for the advances for stock subscription was issued to the Association amounting to 107.41 million.

In 2024, the Association acquired additional 304,582 common shares at 100 par amounting to 30.46 million. There were no changes in the Association's percentage of ownership.

Matapat Holdings, Inc. (MHI)

The details of the investment follow:

	2024	2023
Acquisition cost		
At January 1	48,240,100	48,240,100
Additional investments	25,275,310	–
At December 31	73,515,410	48,240,100
Accumulated equity in net earnings		
At January 1	(246,613)	(757,752)
Equity in net earnings	1,024,895	511,139
At December 31	778,282	(246,613)
	74,293,692	47,993,487

On September 12, 2022, the Association invested in 4,824,010 shares of MHI with par value of 10.00 representing 35.01% ownership. On April 29, 2024, an additional 2,527,531 shares of MHI was acquired at 10 par amounting to 25.28 million.

CARD MRI Holdings, Inc. (CMHI)

The details of the investment follow:

	2024	2023
Acquisition cost		
At January 1	31,250,000	31,250,000
At December 31	31,250,000	31,250,000
Accumulated equity in net earnings		
At January 1	17,781,261	10,729,703
Equity in net earnings	20,334,141	7,051,558
At December 31	38,115,403	17,781,261
Accumulated equity in other comprehensive income		
At January 1	1,073,443	(2,321,342)
Equity in other comprehensive income (loss)	(6,859,654)	3,394,786
At December 31	(5,786,211)	1,073,444
	63,579,192	50,104,705

On February 5, 2016, the Association invested in 78,125 shares of CMHI with par value of 100.00 representing 25.00% ownership. In 2020, additional 234,375 shares with 100 par value amounting to 23.44 million was subscribed by the Association. In 2021, the Association's percentage ownership decreased from 25.00% to 23.15% brought by the additional investments of new investors in CMHI.

MI Healthcare, Inc. (MIHI)

The details of the investment follow:

	2024
Acquisition cost	46,200,000
Accumulated equity in net earnings	(2,037,246)
	44,162,754

In 2023, the Association subscribed 420,000 shares of MIHI amounting to 42.00 million. This was initially recorded in 'Advances for future Stock Subscription' (see Note 8). In 2024, the subscribed shares were issued to the Association, and an additional 42,000 shares was acquired at 100 par amounting to 4.20 million. The Association's percentage of ownership was 42.00%.

BotiCARD, Inc.

The details of the investment follow:

	2024	2023
Acquisition cost		
At January 1	22,345,080	18,615,530
Additional investments	–	3,729,550
At December 31	18,589,120	22,345,080
Accumulated equity in net earnings		
At January 1	9,407,535	6,968,965
Equity in net earnings	1,733,808	6,237,233
Cash dividends received	–	(3,798,663)
At December 31	11,141,343	9,407,535
Accumulated equity in other comprehensive income		
At January 1	1,322,889	1,322,889
At December 31	1,322,889	1,322,889
	34,809,312	33,075,504

In 2011, the Association purchased 780,000 common shares at 5.00 par value of BotiCARD amounting to 3.90 million.

In 2012, the Association deposited 3.00 million which will be used to subscribe to 600,000 additional common shares of BotiCARD initially recorded as advances for future stock subscription. On May 19, 2015, the SEC already approved BotiCARD's request for increase in authorized capital stock. The 3.00 million advances were reclassified from advances for future stock subscription as investment in BotiCARD as of December 31, 2015 together with the additional investment of 2.50 million. Additional investment amounting 1.95 million was made in 2017.

The Association received 600,954 shares and 150,238 shares as stock dividend from BotiCARD in 2020 and 2021, respectively.

In 2021, additional 216,900 common shares amounting to 1.08 million were acquired by the Association which caused increase in percentage ownership from 30.00% to 30.05%.

Moreover, cash dividend amounting to 1.10 million was received by the Association for the year 2021. The Association maintained its 30.05% percentage of ownership with BotiCARD, Inc. from 2021 to 2022.

In 2023, acquired additional 745,910 shares with 5.00 par value amounting to 3.73 million. Also, cash dividend was received amounting to 3.80 million.

CARD MRI Astro Laboratories, Inc.

The details of the investment follow:

	2024	2023
Acquisition cost		
At January 1	9,600,000	9,600,000
At December 31	9,600,000	9,600,000
Accumulated equity in net earnings		
At January 1	6,228,586	498,984
Equity in net earnings	3,297,425	6,017,601
Cash dividends received	(2,265,588)	(287,999)
At December 31	7,260,423	6,228,586
	16,860,423	15,828,586

On August 6, 2019, the Association invested in 128,000 shares of CARD Astro with par value of 50.00 representing 28.00% ownership.

In 2020, additional 10,010 shares with 50.00 par value amounting to 0.50 million was subscribed by the Association. Also, a former stockholder of CARD Astro assigned 24,000 shares with 50.00 par value to the Association increasing its percentage of ownership to 32.00%.

In 2022 and 2021, the Association acquired additional 15,972 shares and 38,018 shares with 50 par value amounting to 0.80 million and 1.90 million, respectively.

In 2024 and 2023, the Association received a cash dividend amounting to 2.27 million and 0.29 million, respectively.

CARD Clinics and Allied Services, Inc. (CCASI)

The details of the investment follow:

	2024
Acquisition cost	12,500,000
Accumulated equity in net earnings	(223,507)
	12,276,493

In 2024, the Association invested in 125,000 common shares at CCASI with par value 100.00 representing 28.57% ownership.

CARD MRI Publishing House, Inc. (CMPuHI)

The details of the investment follow:

	2024	2023
Acquisition cost		
At January 1	1,919,960	749,960
Additional investments	—	1,170,000
At December 31	1,919,960	1,919,960
Accumulated equity in net income		
At January 1	651,655	1,566,264
Equity in net earnings	442,300	141,390
Cash dividends received	—	(1,056,000)
At December 31	1,093,954	651,655
Accumulated equity in other comprehensive income		
At January 1	(121,347)	(121,347)
At December 31	(121,347)	(121,347)
	2,892,567	2,450,267

On September 12, 2017, the Association invested in 30,000 shares of CMPuHI with par value of 5.00 representing 30.00% ownership.

In 2020, additional 89,992 shares with 5.00 par value amounting to 0.45 million was subscribed by the Association.

In 2021, the Association acquired additional 30,000 shares with 5.00 par value amounting to 0.15 million.

The Association maintained its 30.00% percentage of ownership with CMPuHI from 2017 to 2022.

In 2023, the Association acquired additional 234,000 shares with 5.00 par value amounting to 1.17 million. Also, a cash dividend was received amounting to 1.06 million.

CARD MRI Hijos Tours, Inc. (CMHTI)

The details of the investment follow:

	2024	2023
Acquisition cost		
At January 1	550,000	400,000
Additional investments	—	150,000
At December 31	550,000	550,000
Accumulated equity in net earnings		
At January 1	713,303	625,897
Equity in net earnings	351,999	207,406
Cash dividends received	—	(119,999)
At December 31	1,065,303	713,303
Accumulated equity in other comprehensive income		
At January 1	70	70
At December 31	70	70
	1,615,373	1,263,374

On September 12, 2017, the Association invested in 20,000 shares of CMHTI with par value of 5.00 representing 20.00% ownership. In 2019, the Association subscribed additional 60,000 shares with par value of 5.00 amounting to 0.30 million.

In 2023, the Association acquired additional 30,000 shares with 5.00 par value amounting to 0.15 million. Also, a cash dividend was received amounting to 0.12 million.

Financial information of the Association's associates follows:

CPMI	2024	2023
Net income	323,019,759	355,455,243
Other comprehensive income	(1,367,092)	—
Total assets	4,370,739,916	3,702,801,859
Total liabilities	1,659,452,048	1,224,266,658
Net assets	2,711,287,868	2,478,535,201
Association's share in net assets	1,249,361,450	1,142,109,021

CMIT	2024	2023
Net income	209,228,227	215,027,340
Other comprehensive income (loss)	80,911,409	17,243,152
Total assets	904,800,331	854,296,635
Total liabilities	70,353,071	98,872,798
Net assets	834,447,260	755,423,837
Association's share in net assets	310,414,381	281,017,667

CMPMI	2024	2023
Net income	16,339,914	13,122,581
Other comprehensive income	—	—
Total assets	874,753,239	671,605,069
Total liabilities	32,550,389	20,248,496
Net assets	842,202,850	651,356,573
Association's share in net assets	310,941,292	240,480,847

MHI	2024	2023
Net loss	2,927,434	1,459,982
Total assets	260,998,160	127,440,199
Total liabilities	18,144	94,466
Net assets	260,980,016	127,345,733
Association's share in net assets	91,369,104	44,583,741

CMHI	2024	2023
Net income	34,273,596	30,460,296
Other comprehensive income	31,586,912	14,664,298

Total assets	287,065,719	225,432,201
Total liabilities	156,507	141,680
Net assets	286,909,212	225,290,521
Association's share in net assets	66,276,028	52,154,756

MI Health Care, Inc.	2024
Net loss	(4,850,587)
Other comprehensive income	31,586,912

Total assets	114,436,043
Total liabilities	9,286,630
Net assets	105,149,413
Association's share in net assets	44,162,754

BotiCARD	2024	2023
Net income	5,769,744	20,756,182

Total assets	103,810,301	100,415,105
Total liabilities	6,400,924	7,833,522
Net assets	97,409,377	92,581,583
Association's share in net assets	29,271,518	27,820,766

CARD Astro	2024	2023
Net income	10,304,453	18,805,001

Total assets	57,533,170	54,067,431
Total liabilities	5,320,678	5,757,435
Net assets	52,212,492	48,309,996
Association's share in net assets	16,707,997	15,459,199

CARD Clinics	2024
Net loss	(782,313)

Total assets	48,402,710
Total liabilities	1,189,723
Net assets	47,212,987
Association's share in net assets	13,488,750

CMPuHI	2024	2023
Net income	1,937,361	619,319

Total assets	17,691,952	9,276,514
Total liabilities	6,279,150	729,128
Net assets	11,412,802	8,547,386
Association's share in net assets	2,605,543	1,951,368

CMHTI	2024	2023
Net income	1,917,204	1,128,435
Total assets	10,226,150	7,016,138
Total liabilities	909,598	816,344
Net assets	9,316,552	6,199,794
Association's share in net assets	1,710,519	1,139,522

14. Other Assets

This account consists of:

	2024	2023
Supplies inventory	14,159,041	9,914,230
Prepaid expenses	8,527,054	14,669,415
Prepaid rent	7,100,471	5,386,472
Other funds and deposits	3,195,056	3,053,503
Deferred reinsurance premiums (Note 18)	997,979	1,055,367
Prepaid taxes	387,297	502,203
	34,366,898	34,581,190

Supplies inventory includes office items that are being used in the operations of the Association.

Prepaid expenses pertain to the advance payments made to service providers.

Prepaid rent pertains to the payment made in advance and security deposits paid to the owners of the spaces being leased by the Association.

Other funds and deposits pertain to mutual guaranty fund paid to Microinsurance Association of the Philippines (MiMAP). This fund represents a claim reserve fund held and being managed by MiMAP that will be subsequently used to satisfy the claims of the Association's members that cannot be met by the net assets of the members in case of insolvency.

Deferred reinsurance premiums are advance payments made by the Association to National Reinsurance Corporation of the Philippines (NatRe) for the ceded insurance premiums.

Prepaid taxes of the Association pertain to the excess creditable withholding taxes over the income tax due from rental income.

15. Accounts Payable and Accrued Expenses

This account consists of:

	2024	2023
Accrued expenses	48,798,729	14,989,617
Staff, members and employees	14,362,363	2,994,342
Due to government agencies	9,350,074	3,863,010
Accounts payable		
Suppliers and contractors	7,538,123	6,473,028
Related parties (Note 22)	187,530	72,903
Rent deposits	4,642,252	4,717,172
Collection fee payable (Note 22)	1,888,839	1,762,262
Others	163,050	722,505
	86,930,960	35,594,839

Accrued expenses pertain to accruals for employee benefits, professional fees, utilities and supplies. These are non-interest bearing and are generally settled upon receipt of actual billings.

Accounts payable to staff, members and employees include amounts accrued for expenses related to other employee benefits and refund of resigned member or staff. These are settled within one year after reporting date.

Due to government agencies pertains to withholding taxes payable, SSS loan and contribution payable, PAG-IBIG loan and contribution payable and Medicare contribution payable which are subsequently remitted within one month after the reporting date based on the requirements of government agencies.

Accounts payable to suppliers and contractors consist mainly of unpaid purchases of supplies and outstanding obligations for ongoing building constructions. These are settled within one year after the reporting date.

Accounts payable to related parties pertains balances of unpaid claims, purchases of products, and expenses incurred for medicines as well as administration and training cost of staff and coordinators.

Rent deposits represent the amounts received from the Association's lessees as security deposit. These amounts are returnable to the lessees upon expiration of the lease agreement subject to the lessor's conditions.

Collection fee payable pertains to the Association's payable to its collecting institutions (see Note 22) regarding the amount of claims and expenses paid in excess of the premiums collected. These are non-interest-bearing and are generally (one) 1 to 30 day payment terms.

Other payables include unpaid balances for the services availed by the Association such as legal, actuarial valuation, and driving services. These are non-interest bearing and are generally settled within thirty (30) days.

16. Insurance Contract Liabilities

This account consists of:

	2024	2023
Life insurance contract liabilities	17,817,858,300	15,821,629,989
Loan redemption contract liabilities	453,550,159	408,464,459
	18,271,408,459	16,230,094,448

a) Life insurance contract liabilities

Details of the life insurance contract liabilities follow:

	2024	2023
Provision for unearned premiums	17,561,453,320	15,676,986,001
Outstanding claims provision	256,404,980	144,643,988
Total life insurance contract liabilities	17,817,858,300	15,821,629,989

This account represents reserves for life insurance which is computed in compliance with the statutory requirements as set by the IC which is equal to 50% of gross contributions to Basic Life Insurance for the year.

The rollforward analysis of provision for unearned premiums follows:

	2024	2023
At January 1	15,676,986,002	13,893,284,015
Premiums received	5,874,044,186	5,355,611,515
Liability released for payments of death, maturity and surrender benefits and claims	(3,919,215,567)	(3,571,909,529)
At December 31	17,631,814,621	15,676,986,002

The rollforward analysis of outstanding claims provision follows:

	2024	2023
At January 1	144,643,988	149,512,723
Claims incurred in the current year	3,203,498,186	2,854,042,538
Claims paid during the year	(3,162,098,494)	(2,858,911,273)
At December 31	186,043,680	144,643,988

b) Loan redemption contract liabilities

Details of the loan redemption contract liabilities follow:

	2024	2023
Provision for unearned premiums	440,542,319	396,898,927
Provision for claims incurred but not reported (IBNR)	13,007,840	11,565,532
Total loan redemption contract liabilities	453,550,159	408,464,459

The rollforward analysis of provision for unearned premiums follows:

	2024	2023
At January 1	396,898,927	289,383,431
Premiums received	1,250,964,803	1,029,003,990
Earned premiums	(1,207,321,411)	(921,488,494)
At December 31	440,542,319	396,898,927

This account represents reserves for loan redemption insurance computed using the unearned net premium reserves method.

The rollforward analysis of provision for claims IBNR follows:

	2024	2023
At January 1	11,565,532	8,436,438
Increase in IBNR	1,442,308	3,129,094
At December 31	13,007,840	11,565,532

The rollforward analysis of outstanding claims provision follows:

	2024	2023
At January 1	—	—
Claims incurred in the current year	357,837,531	288,800,843
Claims paid during the year	(357,837,531)	(288,800,843)
At December 31	—	—

The loan redemption insurance covers the outstanding loan balance of members from CARD, Inc., CARD SME Bank, Inc., CARD Bank, Inc., CARD MRI Rizal Rural Bank, Inc., CARD Leasing and Finance Corporation, CARD Employees' Multi-purpose Cooperative and all BOAT partners in case of death of a member-borrower.

17. Retirement Fund

The retirement fund or provident fund represents contributions of members of the Association to the Retirement fund, net of administrative expenses. The retirement fund is being administered by the Association and is intended for the retirement of its members. The contributions are invested and the interests thereon are credited to the retirement fund. It can be availed of at the age of 65 if the member has completed a minimum of five (5) consecutive years of membership in the Association. The benefit shall be equal to all the contributions made by the member to the retirement fund plus interest earned. If a member decides to resign prior to age of 65, the member shall be entitled to refund of 100.00% of the member's total contributions plus interest based on prevailing interest rates for regular savings of commercial banks.

The rollforward analysis of retirement fund follows:

	2024	2023
At January 1	11,378,531,250	9,787,564,851
Contribution	1,445,692,440	1,357,342,596
Interest income	608,342,969	693,701,716
Claims and expenses	(458,276,912)	(460,077,913)
At December 31	12,974,289,747	11,378,531,250

The allocation of interest for retirement fund is equivalent to 5.03% in 2024 and 6.06% in 2023, of the beginning balance of the account plus contribution from members during the year.

Included in miscellaneous expense are adjustments on interest income previously allocated to retirement fund amounting to 43.96 million and 183.62 million in 2024 and 2023, respectively (Note 20).

18. Net Earned Premiums

The net earned premiums consist of the following:

	2024	2023
Members' contribution and premiums – micro		
Life insurance premiums	4,369,448,612	4,182,966,230
Loan insurance premiums	2,755,560,377	2,201,649,275
Total members' contribution and premiums – micro	7,125,008,989	6,384,615,505
Less: Reinsurer's share on gross earned premium on insurance contracts		
Life insurance	2,012,750	1,820,250
LRF	466,000	360,250
	2,478,750	2,180,500
Members' contribution and premiums – micro – net	7,122,530,239	6,382,435,005

Under the Association's basic 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 15.00 every week.

Under the basic life insurance program is the golden life insurance program wherein members aging 70 years old are entitled to enroll in the program and have continued coverage up to 100 years old. The member has the option to choose between 50.00 or 100.00 premium every week with death benefit of 25,000.00 or 50,000.00, respectively. Premiums are payable for ten (10) years.

Under the basic life insurance program extension program, members retiring from the Basic Life Insurance Program shall pay a single premium amounting to 1,000.00 per year, 50% of which is Member's Equity Value refundable to the member upon termination of the policy.

Katuparan program provides protection ensuring that the member's target savings will be met after a loss. Under this plan, the member may choose between five (5) options with varying Target Savings

Amount and term to meet the said target. The face amount ranges from 10,000.00 up to 100,000.00 with term of at least two (2) years up to a maximum of five (5) years.

Remitter Protek Plan is a group personal accident insurance cover that provides benefits for death, dismemberment/disability and daily hospitalization caused by an accident. This insured member elected in a Center meeting who is tasked to remit the collection of the Center to the Unit Offices, Bank Lite Unit (BLU) or Branches of CARD MRI Microfinancing Institutions and other organizations recognized by and affiliated with CARD MBA. The corresponding premium for this plan is 200.00 per center per year.

Family Security Plan is a Group Yearly Renewable Term Plan which may be availed voluntarily by eligible member to supplement the coverage he/she and his/her dependent/s currently enjoy under the mandatory Basic Life Insurance Plan (BLIP). In case of death or total and permanent disability of the insured/s (i.e. member and/or the member's qualified dependent/s), the designated beneficiaries shall be indemnified in accordance with the following table of benefits of Family Security Plan. The member may avail the plan thru loan or cash payment. The corresponding premium for this plan is 1,000.00 per year.

AcciPlan is a Yearly Renewable Term Plan intended to supplement the accident-related benefits the insured (member and legal dependents) are entitled to under the Basic Life Insurance Program (BLIP) and Family Security Plan (FSP). The AcciPlan shall provide benefits for death, dismemberment/disability and daily hospitalization caused by an accident of the member and his/her qualified legal dependents. This coverage also provides Motor Vehicular Accident Hospitalization Benefit in case the member and his/her qualified legal dependents encountered a vehicular accident. The corresponding premium for this plan is 850 per year.

The loan redemption insurance covers the outstanding principal loan balance of members to CARD Micro-finance institutions namely: CARD Inc., CARD Bank, Inc., CARD SME Bank Inc. and CARD MRI Rizal Rural Bank, Inc. in case of death. Under this program, the member contributes 1.50% per annum of his/her principal loan to be recognized by the Association as gross premiums.

In April 2014, the Association entered into a reinsurance agreement with National Reinsurance Corporation of the Philippines (NatRe) in response to the increased risk brought by severe calamities hitting the country (see Note 14).

Reinsurance will limit the possible loss that the Association would experience in case of disaster.

The rollforward of the deferred reinsurance premiums follows:

	2024	2023
At January 1	1,055,367	547,765
Premiums ceded to reinsurer	2,421,362	2,688,102
Reinsurer's share of gross earned premiums on insurance contracts	(2,478,750)	(2,180,500)
At December 31	997,979	1,055,367

Deferred reinsurance premiums pertain to the unamortized portion of the premiums ceded to NatRe (see Note 14).

19. Investment Income

This account consists of:

	2024	2023
Interest income on:		
HTM investments (Note 7)	1,006,236,627	807,623,751
Dividend income (Note 9)	94,555,860	109,247,032
Long-term investments (Note 8)	47,094,009	76,685,810
Cash and cash equivalents (Note 6)	22,914,324	14,390,068
Short-term investments (Note 8)	19,310,423	8,593,152
Loans and receivables (Note 8)	42,833	214,163
	1,190,154,076	1,016,753,976

20. General and Administrative Expenses

This account consists of:

	2024	2023
Transportation and travel	₱312,461,898	₱280,998,353
Salaries and allowances	231,448,067	199,151,915
Other members' benefit	179,331,318	74,202,750
Professional fees	120,725,472	86,396,179
Marketing expense	74,501,000	57,077,618
Depreciation (Notes 11, 12 and 21)	55,718,579	46,112,193
Supplies	43,468,267	36,320,338
Program, monitoring and evaluation	40,552,383	35,161,581
Security and janitorial	29,091,960	24,059,083
Rental (Note 21)	24,591,856	22,708,692
Communication	23,586,201	19,837,619
Training and development	20,652,987	15,590,028
Meetings and seminars	12,365,393	10,285,296
Interest expense (Note 21)	10,818,696	10,634,898
Light and water	9,117,729	8,415,194
Repairs and maintenance	8,050,520	7,189,289
Taxes and Licenses	7,510,981	198,024,451
Insurance	7,474,293	6,753,070
Impairment loss (Notes 11 and 12)	6,626,289	—
Entertainment, amusement and recreation	2,914,814	2,629,688
Bank charges	2,489,304	2,989,569
Pension expense – net (Note 25)	2,100,801	1,008,109
Membership dues	1,140,404	1,113,056
Dues and subscription	751,353	275,374
Provision (reversal of allowance) for probable losses (Note 8)	178,768	(377,876)
Research and documentation	—	129,870
Miscellaneous (Note 17)	46,572,282	186,979,902
	1,274,241,615	1,333,666,239

21. Leases

The Association as a Lessee

Short-term and low-value leases

The Association leases vehicles, IT equipment and office spaces. The lease contracts are for the periods ranging from six (6) months to two (2) years and are renewable upon mutual agreement between the Association and the lessors such as CARD Leasing and Finance Corporation and other third-party lessors.

Rent expense amounted to 24.59 million and 22.71 million in 2024 and 2023, respectively. Rent expense in 2024 and 2023 pertains to expenses from short-term leases and leases of low-value assets.

As of December 31, 2024 and 2023, the Association has no contingent rent payable.

Long-term leases

The Association leases vehicles, IT equipment and office spaces. The lease contracts are for the periods ranging from one (1) year and six (6) months to five (5) years and are renewable upon mutual agreement between the Association and the lessors such as CARD Bank, Inc., CARD Leasing and Finance Corporation, CARD MRI Property Management, Inc., CARD SME Bank, Inc. and third-party lessors.

The movements in the right-of-use asset follows:

	2024	2023
Cost		
At January 1	28,500,447	20,889,650
Additions	17,723,526	16,668,399
Terminated lease	(10,770,038)	(9,057,602)
At December 31	35,453,935	28,500,447
Accumulated Depreciation		
At January 1	12,469,287	9,238,927
Depreciation	14,658,259	11,420,534
Terminated lease	(10,606,397)	(8,190,174)
At December 31	16,521,149	12,469,287
Net Book Value	18,932,786	16,031,160

The movements in lease liabilities follows:

	2024	2023
Balance at beginning of year	16,281,555	11,689,715
Additions	17,320,034	16,380,290
Interest expense	1,321,264	852,510
Payments	(15,333,287)	(11,762,873)
Derecognition	(167,882)	(878,087)
Balance at end of year	19,421,684	16,281,555

The following are the amounts recognized in statement of income:

	2024	2023
Lease payments relating to short-term leases and leases with low value assets	24,591,856	22,708,692
Depreciation expense of ROU assets	14,658,260	11,420,534
Interest expense on lease liabilities	1,321,264	852,510
Total amount recognized in statement of income	40,571,380	34,981,736

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

	2024	2023
Within one year	12,211,726	9,790,335
Beyond one to two years	7,245,357	5,369,105
Over three years	1,373,072	2,307,568
	20,830,155	17,467,008

The Association as a Lessor

The Association entered into operating lease agreements with its related parties with terms ranging from three (3) to five (5) years. Rent income included in the statements of comprehensive income under “rental income” account in 2024 and 2023 amounted to 20.39 million and 19.88 million, respectively.

As of December 31, the amount of future minimum rentals receivable based on the remaining term of the existing lease contracts are as follow:

	2024	2023
Within 1 (one) year	20,610,043	19,900,561
More than 1 (one) year but not more than 5 (five) years	42,292,333	28,917,320
	62,902,376	48,817,881

22. 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.

2024 Category	Amount	Outstanding	Nature	Terms	Conditions
Associates					
CMIT					
Account receivable	3,322,946	–	Unremitted Collection of members (staff contribution), share on electricity and other expense incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Accounts payable	546,859	–	Unpaid expenses	On-demand; noninterest-bearing	Unsecured; no impairment
BoTICARD					
Account receivable	498,879	–	Unremitted Collection of members (Staff contribution) and others expense incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Accounts payable	36,938	–	Unpaid medicines and other expenses incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Rental Income (Note 21)	187,362	–	Income received from office space rentals	On-demand; noninterest-bearing	Unsecured; no impairment
CPMI					
Account receivable	3,870,496	30,545	Advance payment for claims to members who avail CPMI products and other related expenses	On-demand; noninterest-bearing	Unsecured; no impairment
Accounts payable	1,695,609	28,203	Unpaid Premiums uncollected from CPMI products	On-demand; noninterest-bearing	Unsecured; no impairment
Rental income (Note 21)	261,208	–	Income received from office space rentals	On-demand; noninterest-bearing	Unsecured; no impairment
Hijos Tours					
Account receivable	30,700	–	Unremitted Collection of members (staff contribution), share on electricity and other expense incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Accounts payable	–	–	Unpaid expenses	On-demand; noninterest-bearing	Unsecured; no impairment
Publishing House					
Account receivable	42,960	–	Unremitted Collection of members (staff contribution), share on electricity and other expense incurred	On-demand; noninterest-bearing	Unsecured; no impairment
CARD Astro					
Account receivable	28,000	–	Unremitted Collection of members (staff contribution), share on electricity and other expense incurred	On-demand; noninterest-bearing	Unsecured; no impairment
CARD Property Management					
Account receivable	51,074	25	Unremitted Collection of members (staff contribution), share on electricity and other expense incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Loan receivable	1,500,000	–	Loan granted to CMPH on May 16, 2019	5-year term; interest at 5.711%	Unsecured; no impairment
Interest income	42,833	–	Loan granted to CMPH on May 16, 2019	5-year term; interest at 5.711%	Unsecured; no impairment
Affiliates					
(Forward)					
MNLI					
Accounts receivable	25,250	3,590	Uncollected insurance premiums of employees	On-demand; noninterest-bearing	Unsecured; no impairment

2024					
Category	Amount	Outstanding	Nature	Terms	Conditions
Accounts payable	12,742	12,742	Unpaid expenses incurred in MNLI Product	On-demand; noninterest-bearing	Unsecured; no impairment
CaMIA					
Account receivable	1,183,518	–	Advance payment of claims to members who avail CaMIA products and other related expenses incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Accounts payable	206,537	995	Unpaid Premiums uncollected from CaMIA products	On-demand; noninterest-bearing	Unsecured; no impairment
Rental income (Note 21)	524,031	–	Income received from office space rentals	On-demand; noninterest-bearing	Unsecured; no impairment
CMDI					
Account receivable	298,800	–	Unremitted Collection of Staff contribution, sale of property & others expense incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Accounts payable	3,000	–	Unpaid expenses for administration and training cost of staff & coordinators	On-demand; noninterest-bearing	Unsecured; no impairment
CARD Inc.					
Account receivable	1,532,469,611	98,578	Unremitted Collection of members (Staff contribution) and others expense incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Collection fee payable	526,218,951	213,927	Unpaid claims and expenses incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Rental income (Note 21)	790,826	–	Income received from office space rentals	On-demand; noninterest-bearing	Unsecured; no impairment
CARD SME Bank, Inc.					
Cash and cash equivalents	–	336,156,359	Regular savings deposit	On-demand; interest at 0.50%	Unsecured; no impairment
Account receivable	1,012,577,035	7,629	Unremitted Collection of members (Staff contribution) and others expense incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Collection fee payable	100,537,759	504,143	Unpaid claims and expenses incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Rental income (Note 21)	5,724,598	–	Income received from office space rentals	On-demand; noninterest-bearing	Unsecured; no impairment
BDSFI					
Account receivable	43,460	–	Unremitted Collection of Staff contribution	On-demand; noninterest-bearing	Unsecured; no impairment
Accounts payable	–	–	Unpaid other expenses incurred	On-demand; noninterest-bearing	Unsecured; no impairment
CARD EMPC					
Account receivable	916,044	840,270	Unremitted Collection of members (Staff contribution) and others expenses	On-demand; noninterest-bearing	Unsecured; no impairment
Accounts payable	7,201,193	–	Unpaid claims & expenses incurred	On-demand; noninterest-bearing	Unsecured; no impairment
(Forward)					
Rizal Bank Inc.					
Cash and cash equivalents	–	21,998,580	Regular savings deposit	On-demand; interest at 0.50%	Unsecured; no impairment
Account receivable	586,671,852	5,163	Unremitted Collection of members (Staff contribution) and others expense incurred	On-demand; noninterest-bearing	Unsecured; no impairment

Collection fee payable	48,090,354	262,496	Unpaid claims and expenses incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Rental income (Note 21)	2,290,114	–	Unremitted Collection of Staff contribution	On-demand; noninterest-bearing	Unsecured; no impairment
CLFC					
Account receivable	1,243,025	171	Unremitted Collection of members (Staff contribution) and others expenses	On-demand; noninterest-bearing	Unsecured; no impairment
Accounts payable	5,284,897	127,751	Unpaid expenses incurred in leasing	On-demand; noninterest-bearing	Unsecured; no impairment
CARD Bank Inc.					
Cash and cash equivalents	–	90,695,804	Regular savings deposit	On-demand; interest at 0.50%	Unsecured; no impairment
Account receivable	2,414,031,876	272,876	Unremitted Collection of staff contributions, rental for year end and other expenses incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Collection fee payable	302,982,172	908,273	Unpaid claims and expenses incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Rental income (Note 21)	10,366,942	–	Unremitted Collection of Staff contribution	On-demand; noninterest-bearing	Unsecured; no impairment
CARD Masikhay					
Accounts receivable	18,980	–	Unremitted Collection of staff contributions, rental for year end and other expenses incurred	On-demand; noninterest-bearing	Unsecured; no impairment
2023					
Category	Amount	Outstanding	Nature	Terms	Conditions
Associates					
CMIT					
Account receivable	2,798,795	–	Unremitted Collection of members (staff contribution), share on electricity and other expense incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Accounts payable	1,129,053	–	Unpaid expenses	On-demand; noninterest-bearing	Unsecured; no impairment
BoTICARD					
Account receivable	455,405	–	Unremitted Collection of members (Staff contribution) and others expense incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Accounts payable	105,704	–	Unpaid medicines and other expenses incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Rental Income (Note 21)	219,476	–	Income received from office space rentals	On-demand; noninterest-bearing	Unsecured; no impairment
CPMI					
Account receivable	4,384,981	150,789	Advance payment for claims to members who avail CPMI products and other related expenses	On-demand; noninterest-bearing	Unsecured; no impairment
(Forward)					
Accounts payable	1,891,987	27,227	Unpaid Premiums uncollected from CPMI products	On-demand; noninterest-bearing	Unsecured; no impairment
Rental income (Note 21)	197,500	–	Income received from office space rentals	On-demand; noninterest-bearing	Unsecured; no impairment
Hijos Tours					
Account receivable	26,035	–	Unremitted Collection of members (staff contribution), share on electricity and other expense incurred	On-demand; noninterest-bearing	Unsecured; no impairment

Accounts payable	28,266	3,680	Unpaid expenses	On-demand; noninterest-bearing	Unsecured; no impairment
<i>Publishing House</i> Account receivable	25,450	–	Unremitted Collection of members (staff contribution), share on electricity and other expense incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Accounts payable	7,200	7,200	Unpaid expenses	On-demand; noninterest-bearing	Unsecured; no impairment
<i>CARD Astro</i> Account receivable	12,500	–	Unremitted Collection of members (staff contribution), share on electricity and other expense incurred	On-demand; noninterest-bearing	Unsecured; no impairment
<i>CARD Property Management</i> Account receivable	87,820	–	Unremitted Collection of members (staff contribution), share on electricity and other expense incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Loan receivable	3,000,000	1,500,000	Loan granted to CMPH on May 16, 2019	5-year term; interest at 5.711%	Unsecured; no impairment
Interest income	214,163	–	Loan granted to CMPH on May 16, 2019	5-year term; interest at 5.711%	Unsecured; no impairment
Affiliates					
<i>MNLI</i> Accounts receivable	8,140	–	Uncollected insurance premiums of employees	On-demand; noninterest-bearing	Unsecured; no impairment
Accounts payable	25,985	25,985	Unpaid expenses incurred in MNLI Product	On-demand; noninterest-bearing	Unsecured; no impairment
<i>CaMIA</i> Account receivable	1,321,772	–	Advance payment of claims to members who avail CaMIA products and other related expenses incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Accounts payable	132,750	–	Unpaid Premiums uncollected from CaMIA products	On-demand; noninterest-bearing	Unsecured; no impairment
Rental income (Note 21)	524,031	–	Income received from office space rentals	On-demand; noninterest-bearing	Unsecured; no impairment
<i>CMDI</i> Account receivable	17,983,012	8,442,500	Unremitted Collection of Staff contribution, sale of property & others expense incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Accounts payable	19,149	–	Unpaid expenses for administration and training cost of staff & coordinators	On-demand; noninterest-bearing	Unsecured; no impairment
<i>(Forward)</i> <i>CARD Inc.</i>					
Account receivable	230,660,727	147,120	Unremitted Collection of members (Staff contribution) and others expense incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Collection fee payable	542,524,066	594,315	Unpaid claims and expenses incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Rental income (Note 21)	774,046	–	Income received from office space rentals	On-demand; noninterest-bearing	Unsecured; no impairment
<i>CARD SME Bank, Inc.</i> Cash and cash equivalents	–	8,881,234	Regular savings deposit	On-demand; interest at 0.50%	Unsecured; no impairment

Account receivable	28,240,472	6,116	Unremitted Collection of members (Staff contribution) and others expense incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Collection fee payable	170,563,087	49,079	Unpaid claims and expenses incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Rental income (Note 21)	5,591,702	–	Income received from office space rentals	On-demand; noninterest-bearing	Unsecured; no impairment
<i>BDSFI</i>					
Account receivable	16,580	–	Unremitted Collection of Staff contribution	On-demand; noninterest-bearing	Unsecured; no impairment
Accounts payable	469	–	Unpaid other expenses incurred	On-demand; noninterest-bearing	Unsecured; no impairment
<i>CARD EMPC</i>					
Account receivable	161,975	–	Unremitted Collection of members (Staff contribution) and others expenses	On-demand; noninterest-bearing	Unsecured; no impairment
Accounts payable	6,749,469	–	Unpaid claims & expenses incurred	On-demand; noninterest-bearing	Unsecured; no impairment
<i>Rizal Bank Inc.</i>					
Cash and cash equivalents	–	6,886,516	Regular savings deposit	On-demand; interest at 0.50%	Unsecured; no impairment
Account receivable	37,987,683	396	Unremitted Collection of members (Staff contribution) and others expense incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Collection fee payable	105,476,163	23,215	Unpaid claims and expenses incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Rental income (Note 21)	2,264,173	–	Unremitted Collection of Staff contribution	On-demand; noninterest-bearing	Unsecured; no impairment
<i>CLFC</i>					
Account receivable	155,484	–	Unremitted Collection of members (Staff contribution) and others expenses	On-demand; noninterest-bearing	Unsecured; no impairment
Accounts payable	3,639,743	–	Unpaid expenses incurred in leasing	On-demand; noninterest-bearing	Unsecured; no impairment
<i>(Forward)</i> <i>CARD Bank Inc.</i>					
Cash and cash equivalents	–	30,434,274	Regular savings deposit	On-demand; interest at 0.50%	Unsecured; no impairment
Account receivable	59,708,291	366,026	Unremitted Collection of staff contributions, rental for year end and other expenses incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Collection fee payable	379,368,536	1,095,654	Unpaid claims and expenses incurred	On-demand; noninterest-bearing	Unsecured; no impairment
Rental income (Note 21)	10,048,218	–	Unremitted Collection of Staff contribution	On-demand; noninterest-bearing	Unsecured; no impairment

In 2024 and 2023, short-term employee benefit compensation to the Association's key management personnel amounted to 2.80 million and 2.82 million, respectively. Post-employment benefits compensation to key management personnel amounted to 4.58 million and 4.60 million in 2024 and 2023, respectively.

23. Income Tax

As a non-stock, not-for-profit and mutual benefit association, the Association was granted tax exemption with respect to income and value-added taxes (VAT) except for those activities which are conducted for profit and are not directly related to its main purpose 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 (BIR).

Income taxes include income tax on its income not incidental to its operations (e.g., rent income) and final withholding tax on interest income on cash in banks, short-term and long-term investments and held-to-maturity investments.

Relevant Tax Updates

On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the Minimum Corporate Income Tax (MCIT) rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act (RA) No. 11534, otherwise known as the “Corporate Recovery and Tax Incentives for Enterprises (CREATE)” Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

The provision for income tax consists of:

	2024	2023
Current tax	1,716,054	1,263,477
Final tax	215,763,389	227,948,275
	217,479,443	229,211,752

The reconciliation of the income tax expense computed based on the excess of revenue over expenses before tax at the statutory income tax rate to the provision for income tax in the statements of comprehensive income follows:

	2024	2023
Statutory income tax	449,393,962	330,171,292
Add (deduct) the tax effect of:		
Gross premiums on insurance contracts	(1,781,252,247)	(1,595,608,751)
Gross change in insurance contract liabilities	499,618,003	472,804,370
Gross insurance contract benefits and claims paid	879,984,006	786,928,029
General and administrative expenses	316,288,936	381,169,756
Equity in net earnings of associates	(62,364,190)	(67,198,783)
Dividend income	(23,638,965)	(27,311,758)
Interest income subjected to final tax	(54,777,769)	(45,364,639)
Rental income	(5,097,549)	(4,970,964)
Other expense (income)	(674,744)	(1,406,800)
Provision for income tax	217,479,443	229,211,752

24. Notes to Statement of Cash Flows

The Association’s principal non-cash investing activity in 2024 and 2023 pertains to additions to ROU assets amounting to 17.72 million and 16.67 million, respectively (Note 21).

The table below summarizes the changes in lease liabilities, including both changes arising from cash flows and non-cash changes.

	At January 1	Additions	Settlements	*Other Adjustments	At December 31
2024	16,281,555	17,320,034	(15,333,287)	167,882	19,421,684
2023	11,689,715	16,380,290	(11,762,873)	(25,577)	16,281,555

*pertains to derecognition and interest expense

25. Employee Benefits

The Association, CARD Bank, Inc., CARD Inc., CARD SME Bank, Inc., CAMIA, CARD BDSFI, CMIT, BotiCARD, CMDI, MLNI, RBI, CLFC, RISE, EMPC, CMCSI, CCAS, BDAI, BPI and PMI maintain a funded and formal noncontributory defined benefit retirement plan - the CARD MRI Multi-Employer Retirement Plan (MERP) - covering all of their regular employees and CARD Group Employees’ Retirement Plan (Hybrid Plan) applicable to employees hired on or after July 1, 2016. MERP is valued using the projected unit cost method and is financed solely by the Parent Company and its related parties.

MERP and the Hybrid Plan are compliant with the requirements of RA No. 7641 (Retirement Law). MERP provides lump sum benefits equivalent to up to 120.00% of final salary for every year of credited service, a fraction of at least six (6) months being considered as one whole year, upon retirement, death, total and permanent disability, or voluntary separation after completion of at least one year of service with the participating companies.

The Hybrid Plan provides a retirement benefit equal to 100.00% of the member’s employer accumulated value (the Parent Company’s contributions of 8% plan salary to Fund A plus credited earnings) and 100.00% of the member’s employee accumulated value (member’s own contributions up to 10.00% of plan salary to Fund B plus credited earnings), if any. Provided that in no case shall 100.00% of the employer accumulated value in Fund A be less than 100.00% of plan salary for every year of credited service.

The latest actuarial valuation report covers reporting period as of December 31, 2024.

Changes in funded retirement plan are as follow:

2024													
Net benefit cost in statement of comprehensive income							Remeasurements in other comprehensive income						
	At January 1	Current service cost (Note 20)	Net interest (Note 19)	Subtotal	Benefits paid	Transfer to plan	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in experience	Effect of changes in asset ceiling	Subtotal	Contribution by employer
													At December 31
Present value of defined benefit obligation	62,864,817	4,761,690	3,847,327	8,609,017	(2,652,609)	(2,961,412)	–	(369,692)	223,541	10,367,261	–	10,221,110	–
Fair value of plan assets	(118,768,263)	–	(7,445,002)	(7,445,002)	2,652,609	2,961,412	2,128,499	–	–	–	–	2,128,499	(11,378,225)
Effect of changes in asset ceiling	15,306,967	–	936,786	936,786	–	–	–	–	–	–	(4,817,246)	(4,817,246)	–
Retirement asset	(40,596,479)	4,761,690	(2,660,889)	2,100,801	–	–	2,128,499	(369,692)	223,541	10,367,261	(4,817,246)	7,532,363	(11,378,225)
													(42,341,540)

2023													
Net benefit cost in statement of comprehensive income							Remeasurements in other comprehensive income						
	At January 1	Current service cost (Note 20)	Net interest (Note 19)	Subtotal	Benefits paid	Transfer to plan	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in experience	Effect of changes in asset ceiling	Subtotal	Contribution by employer
													At December 31
Present value of defined benefit obligation	49,325,948	3,957,078	3,590,929	7,548,007	(1,319,916)	52,620	–	40,084	6,616,135	601,939	–	7,258,158	–
Fair value of plan assets	(116,557,387)	–	(8,439,248)	(8,439,248)	1,319,916	(52,620)	4,961,076	–	–	–	–	4,961,076	–
Effect of changes in asset ceiling	26,089,975	–	1,899,350	1,899,350	–	–	–	–	–	–	(12,682,358)	(12,682,358)	–
Retirement asset	(41,141,464)	3,957,078	(2,948,969)	1,008,109	–	–	4,961,076	40,084	6,616,135	601,939	(12,682,358)	(463,124)	–
													(40,596,479)

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

	2024	2023
Discount rate at beginning of year	6.12%	7.28%
Discount rate at end of year	6.09%	6.12%
Salary increase rate at beginning and end of year	5.00%	5.00%
Average remaining working lives at beginning of year	29.70 years	30.20 years
Average remaining working lives at end of year	29.20 years	29.70 years

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

	2024	2023
Investment in bonds	82,363,202	85,786,316
Cash and cash equivalents	15,529,937	13,967,148
Loans receivable	30,527,493	17,696,471
Others	1,428,339	1,318,328
	129,848,970	118,768,263

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of December 31, 2023, assuming if all other assumptions were held constant:

		Effect on defined pension plan	
Increase (decrease)		2024	2023
Discount rate	+100 basis points	(6,902,400)	(5,774,354)
	-100 basis points	8,119,167	6,803,362
Future salary increase	+100 basis points	8,126,638	6,811,752
	-100 basis points	(7,030,296)	(5,882,799)

The Association expects to contribute 6.73 million to the defined pension plan in 2025.

As of December 31, 2024 and 2023, the maturity profiles of undiscounted benefit payments of the Association follow:

	2024	2023
Less than one year	5,815,865	5,057,536
More than one year to five years	30,660,163	24,585,282
More than five years	49,274,127	36,735,730
	85,750,155	66,378,548

The average duration of the defined benefit obligation at the end of the reporting period is 9.9 years.

26. 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).

Guaranty fund

As a mutual benefit association, IC 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 5.00% of the Association's gross premium collections until the guaranty fund reaches 12.50% of the minimum paid up capital for domestic life insurance companies or 162.50 million. As of December 31, 2024 and 2023, the Association has a total of 178.88 million guaranty fund which is deposited with the IC.

Risk-based capital requirements (RBC)

On December 8, 2006, the IC issued IMC NO. 11-2006 adopting the RBC framework for the mutual benefit associations to establish the required amounts of capital to be maintained by entities in relation to their investment and insurance risks. Every mutual benefit association 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:

	2024 (Estimated)	2023 (Actual)
Member's equity	9,767,446,620	7,987,018,050
RBC requirement	2,304,956,029	1,750,869,027
RBC ratio	423.76%	456.17%

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.

Standard chart of accounts

IC has released Circular No. 2014-41 containing the standard chart of accounts for all new and existing mutual benefit associations doing business in the Philippines. This circular is in line with the requirements of SRC Rule 68, Section 189 of the Amended Insurance Code, and the current accounting standards in the Philippines. This circular is effective immediately and should be used in the annual statement filed with IC starting calendar year 2014. In year 2021, IC released Circular Letter No. 2021-14 which prescribes amendments to the standard chart of accounts to be used by mutual benefit associations.

Valuation of reserves

IC has released Circular No. 2016-66 on the Valuation Standards for Life Insurance Policy Reserves which provides a change in the basis of valuation of the life insurance policy reserves from Net Premium Valuation (NPV) to Gross Premium Valuation (GPV). Whereas, the methods and assumptions shall be in accordance with the internationally accepted actuarial standards and consider the generally accepted actuarial principles concerning financial reporting framework promulgated by the Actuarial Society of the Philippines (ASP) which now considers other assumptions such as morbidity, lapse and/or persistency, expenses, non-guaranteed benefits and margin for adverse deviation. This valuation method is applicable to the Association's golden life insurance product and BLIP Extension Plan. However, in 2018 per advisory no. 6-2018 as released by IC, the Association shift back to NPV as the implementation of GPV for mutual benefit associations (MBAs) is meantime deferred as there appears a pressing need to issue a new Financial Reporting Framework for MBAs which shall be implemented simultaneously to avoid asset-liability mismatch. As a result of Advisory No. 6-2018, the Association retrospectively changed its insurance remeasurement policy from GPV to NPV.

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

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.

	Increase of 1.00% on discount rate and decrease of 25.00% on mortality rate	Increase of 1.00% on discount rate and increase of 25.00% on mortality rate
2024		
Increase (decrease) on liabilities	(43,812,607)	17,088,945
Increase (decrease) on revenue	43,812,607	(17,088,945)
2023		
Increase (decrease) on liabilities	(38,172,135)	26,228,447
Increase (decrease) on revenue	38,172,135	(26,228,447)

The sensitivity analyses consider 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.

Fair value hierarchy

The Association uses the following hierarchy for determining and disclosing the fair value of its financial instruments and other non-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.

Financial Instruments

The Association's principal financial instruments are cash and cash equivalents, loans and receivables, AFS financial assets, HTM investments, accounts payable and accrued expenses. The main purpose of these financial instruments is to finance their operations.

Due to the short-term nature of transactions, the carrying amounts of financial instruments such as cash and cash equivalents, short-term investments, receivables except loan receivable, 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 a reliable fair value under Level 3 of fair value hierarchy. This is determined using capital asset pricing model (CAPM). This is a model that describes the relationship between risks and expected return. Similar companies to the investee companies are identified and used as basis to identify the risks involved.

For loans receivable and long-term investments classified under loans and receivable, fair values are based on discounted value of future cash flows using applicable rates for similar types of instruments. The discount rate used ranged from 3.00% to 6.00% in December 31, 2024 and 2023.

For investments in mutual fund companies under AFS investments, fair values are established by reference to the published net asset value.

As of December 31, 2024 and 2023, the fair value of the investments in mutual funds designated as AFS financial assets of the Association amounted to 135.26 million and 131.59 million, respectively (see Note 9).

The Association classifies AFS financial assets under Level 1 of the fair value hierarchy, except for the unquoted equity securities that do not have quoted market prices in an active market which are measured using dividend yield model. During the reporting period ended December 31, 2024 and 2023, 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.

The following table sets forth the carrying values and estimated fair values of financial assets and liabilities recognized as of December 31, 2024 and 2023:

	2024			
	Carrying Value	Level 1	Level 2	Level 3 Total
Financial assets				
Cash and cash equivalents	746,423,783	749,828,132	–	749,828,132
HTM investments	33,782,961,612	33,404,664,685	–	33,404,664,685
Loans and receivables				
Long-term investments	2,073,845,702	–	2,144,061,637	2,144,061,637
Short-term investments	302,531,667	–	307,681,966	307,681,966
Receivables	61,727,076	–	61,727,076	61,727,076
Accrued income	755,836,773	–	755,836,773	755,836,773
AFS financial assets				
Quoted	239,306,833	239,306,833	–	239,306,833
Unquoted	1,013,192,478	–	1,013,192,478	1,013,192,478
	38,975,825,924	34,393,799,650	–	4,282,499,930
				38,676,299,580

	2023			
	Carrying Value	Level 1	Level 2	Level 3 Total
Financial assets				
Cash and cash equivalents	424,211,076	424,211,076	–	424,211,076
HTM investments	29,319,276,883	29,055,215,754	–	29,055,215,754
Loans and receivables				
Long-term investments	2,160,494,799	–	2,160,494,799	2,160,494,799
Short-term investments	165,863,396	–	165,863,396	165,863,396
Receivables	71,055,459	–	71,055,459	71,055,459
Accrued income	576,237,368	–	576,237,368	576,237,368
AFS financial assets				
Quoted	185,594,522	185,594,522	–	185,594,522
Unquoted	787,402,766	–	787,402,766	787,402,766
	33,690,136,267	29,929,082,481	–	3,761,053,786
				33,690,136,267

Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

Description of significant unobservable inputs to valuation of AFS financial assets under Level 3 of their fair value category follows:

Valuation Technique	Investment	Significant Unobservable Input	Inputs	
			2024	2023
Capital asset pricing model	CBI	Cost of equity	10.50%	12.40%
Capital asset pricing model	CRBI	Cost of equity	10.50%	12.40%
Capital asset pricing model	CLFC	Cost of equity	10.16%	14.89%
Adjusted net asset	EMSHI	Book value per share	208.45	217.94
Adjusted net asset	Unihealth	Book value per share	133.31	1,199.70
Adjusted net asset	Bakawan	Book value per share	106.31	–

AFS financial assets

The Association estimates the fair value of the unquoted equity securities using the adjusted net asset value approach. Below shows the sensitivity of the valuation to various changes in assumption:

	2024	2023
Fair value of AFS financial assets	3,447,670	3,230,464
Alternative scenarios:		
Increase/decrease in book in value per share:		
+10.00%	418,580	(323,016)
-10.00%	(284,374)	323,071

The Association estimates the fair value of the unquoted equity securities using the capital asset pricing model. Below shows the sensitivity of the valuation to various changes in assumption:

	2024	2023
AFS financial assets	1,009,745,808	784,172,302
Alternative scenarios:		
Increase/decrease in cost of equity:		
+100 basis points	(9,129,150)	60,274,378
-100 basis points	18,471,050	(71,121,011)

The use of reasonably possible alternative assumptions in the significant unobservable inputs will affect the fair value of the unquoted equity securities and the OCI (before tax) as presented above.

Financial Risks

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

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

Credit risk

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

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

- The credit risk in respect of customer balances, incurred on non-payment of premiums or contributions will only persist during the grace period specified in the policy document or when the policy is either paid up or terminated.
- Reinsurance is placed with highly rated counterparties and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year and are subject to regular reviews. At each reporting date, management performs an assessment of

creditworthiness of reinsurers and update the reinsurance purchase strategy, ascertaining suitable allowance for impairment.

- 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.

	2024	2023
Financial Assets		
Cash and cash equivalents*	746,223,783	424,011,076
HTM investments	33,782,961,612	29,319,276,883
Loans and receivables		
Short-term investments	302,531,667	165,863,395
Long-term investment	2,073,845,702	2,160,494,799
Receivables		
Accounts receivable	2,426,497	10,063,945
Loans receivable	–	1,500,000
Advances for future stocks subscriptions	36,367,322	52,596,987
Notes receivable	5,000,000	5,000,000
Accrued income	755,836,773	576,237,368
Other receivables	17,933,258	1,894,527
	37,723,126,614	32,716,938,980

*Excluding cash on hand

The maximum exposure of the Association's financial instruments is equivalent to the carrying values as reflected in the statements of financial position and related notes. The Association holds no collateral and other credit enhancements against its credit risk exposure as at December 31, 2024 and 2023.

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, 2024 and 2023.

	2024			
	Neither Past-Due nor Impaired			
	Investment Grade	Non-investment Grade	Past Due and Impaired	Total
Financial Assets				
Cash and cash equivalents*	746,223,783	–	–	746,223,783
HTM investments	33,782,961,612	–	–	33,782,961,612
Loans and receivables				
Short-term investments	302,531,667	–	–	302,531,667
Long-term investments	2,073,845,702	–	–	2,073,845,702
Accounts receivables	2,363,485	–	63,012	20,359,754
Advances for future stock subscription	36,367,322	–	–	36,367,322
Notes receivables	5,000,000	–	–	5,000,000
Accrued income	755,836,773	–	–	755,836,773
Other receivables	16,680,836	–	1,252,422	16,680,836
	37,721,811,180	–	1,315,434	37,723,126,613

*Excluding cash on hand

	2023			
	Neither Past-Due nor Impaired			
	Investment Grade	Non-investment Grade	Past Due and Impaired	Total
Financial Assets				
Cash and cash equivalents*	424,011,076	–	–	424,011,076
HTM investments	29,319,276,883	–	–	29,319,276,883
Loans and receivables				
Short-term investments	165,863,395	–	–	165,863,395
Long-term investments	2,160,494,799	–	–	2,160,494,799
Loans receivable	1,500,000	–	–	1,500,000
Accounts receivables	9,578,637	–	485,308	10,063,945
Advances for future stock subscription	52,596,987	–	–	52,596,987
Notes receivables	5,000,000	–	–	5,000,000
Other receivables	1,178,187	–	716,340	1,894,527
Accrued income	576,237,368	–	–	576,237,368
	32,715,737,332	–	1,201,648	32,716,938,980

*Excluding cash on hand

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 (one) 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:

2024

	Up to 1 year	1-3 years	over 3 years	No term	Total
Financial assets					
Cash and cash equivalents	749,828,132	—	—	—	749,828,132
HTM investments	6,890,036,501	9,350,533,686	17,542,391,425	—	33,782,961,612
Loans and receivables					
Accounts receivable	20,359,754	—	—	—	20,359,754
Accrued interest receivable	755,836,773	—	—	—	755,836,773
Notes receivable	—	—	—	5,000,000	5,000,000
Loans receivable	1,500,000	—	—	—	1,500,000
Advances for future stock subscription	—	—	—	36,367,322	36,367,322
Short-term investments	307,681,966	—	—	—	307,681,966
Long-term investments	1,831,165,426	312,896,212	—	—	2,144,061,638
AFS financial assets	—	—	—	1,252,499,311	1,252,499,311
	10,556,408,552	9,663,429,898	17,542,391,425	1,293,866,633	39,056,096,508
Financial liabilities					
Other financial liabilities					
Claims payable	199,051,519	—	—	—	199,051,519
Collection fee payable	2,048,088	—	—	—	2,048,088
Lease liabilities	11,307,825	6,747,818	1,366,040	—	19,421,684
Other payables	80,240,619	—	—	—	80,240,619
	292,648,051	6,747,818	1,366,040	—	300,761,910

2023

	Up to 1 year	1-3 years	over 3 years	No term	Total
Financial assets					
Cash and cash equivalents	425,842,525	—	—	—	425,842,525
HTM investments	4,922,491,902	12,711,381,288	11,685,403,693	—	29,319,276,883
Loans and receivables					
Accounts receivable	10,113,683	—	—	—	10,113,683
Accrued interest receivable	576,237,368	—	—	—	576,237,368
Notes receivable	—	—	—	5,000,000	5,000,000
Loans receivable	1,500,000	—	—	—	1,500,000
Advances for future stock subscription	—	—	—	52,596,987	52,596,987
Other receivables	1,844,788	—	—	—	1,844,788
Short-term investments	168,422,602	—	—	—	168,422,602
Long-term investments	92,974,480	2,451,546,608	—	—	2,544,521,088
AFS financial assets	—	—	—	972,997,288	972,997,288
	6,199,427,348	15,162,927,896	11,685,403,693	1,030,594,275	34,078,353,212
Financial liabilities					
Other financial liabilities					
Claims payable	156,209,519	—	—	—	156,209,519
Collection fee payable	2,458,316	—	—	—	2,458,316
Lease liabilities	16,281,555	—	—	—	16,281,555
Other payables	33,136,524	—	—	—	33,136,524
	208,085,914	—	—	—	208,085,914

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.

	2024		2023	
	U.S. Dollar ⁽¹⁾	Peso Equivalent	U.S. Dollar ⁽¹⁾	Peso Equivalent
Cash in bank	\$12,497	724,966	\$15,626	865,219
Cash equivalents	1,126,574	65,352,535	\$14,097	28,465,528
Short-term investments	—	—	\$65,600	31,317,290
Total	\$1,139,071	66,077,501	\$1,095,323	60,648,037

⁽¹⁾ The exchange rate used was 58.01 to US\$1.00 in 2024 and 55.37 to US\$1.00 in 2023.

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
2024	USD	+0.10	113,907
		-0.10	(113,907)
2023	USD	+0.10	109,532
		-0.10	(109,532)

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. As of December 31, 2024 and 2023, the Association does not have financial instruments which have repricing interest.

	2024		
	Range of interest rate	Up to a year	Over one (1) year
Cash and cash equivalents-regular deposit	0.06% to 1.00%	210,560,425	–
Cash and cash equivalents-time deposits	4.70% to 6.00%	535,663,358	–
Short-term investments	6.08%	302,531,667	–
Long term investments	3.00% to 5.00%	–	2,073,845,702
HTM investments	0.00% to 8.75%	–	33,782,961,612
Total financial assets		1,048,755,450	35,856,807,314

	2023		
	Range of interest rate	Up to a year	Over one (1) year
Cash and cash equivalents-regular deposit	0.00% to 0.50%	72,866,687	–
Cash and cash equivalents-time deposits	5.13% to 6.00%	351,244,887	–
Short-term investments	4.90% to 5.40%	165,762,897	–
Long term investments	3.00% to 5.00%	–	2,160,494,799
HTM investments	2.38% to 8.63%	–	29,319,276,883
Total financial assets		589,874,471	31,479,771,682

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 and unit investment trust fund, with all other variables held constant, of the Association's equity (due to changes in the net asset value of mutual funds).

	2024		2023	
	+10%	-10%	+10%	-10%
Change in NAVPS				
Mutual Funds	13,525,683	(13,525,683)	13,159,452	(13,159,452)

27. 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, 2024 and 2023, 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.

28. Appropriated Fund Balance

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

	Guaranty fund	CARD MRI Disaster Relief Assistance Program	Experience Refund	Interest on Refund	Enhancement of IT system	Capacity Building	Research and Development	Members' Education	Total
At January 1, 2023	179,378,701	27,125,232	542,756	244,255,430	310,338,005	201,760,541	100,880,270	100,880,270	1,165,161,205
Reversal of appropriation	(501,000)	—	—	—	—	—	—	—	(501,000)
Utilization of appropriation	—	(25,159,907)	—	—	(77,569,961)	(12,635,007)	—	(2,911,644)	(118,276,519)
Guaranty fund adjustment	—	106,135,479	—	—	(106,135,479)	—	—	—	—
At December 31, 2023	178,877,701	108,100,804	542,756	244,255,430	126,632,565	189,125,534	100,880,270	97,968,626	1,046,383,686
Appropriation	—	47,953,792	—	—	51,536,120	—	—	3,919,040	103,408,952
Utilization of appropriation	—	(131,736,878)	—	—	(114,184,795)	(14,563,790)	—	(6,039,186)	(266,524,649)
At December 31, 2024	178,877,701	24,317,718	542,756	244,255,430	63,983,890	174,561,744	100,880,270	95,848,480	883,267,989

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 162.50 million, whichever is higher. In 2023, there was an adjustment for guaranty fund amounting to 0.50 million.

The Association appropriated 103.41 million in 2024. Utilization in appropriation in 2024 and 2023 amounted to 266.52 million and 118.28 million, respectively.

29. Maturity Profile of Assets and Liabilities

The table below presents the assets and liabilities of the Association as of December 31, 2024 and 2023 analyzed according to whether they are expected to be recovered or settled within one year and beyond one year from the reporting date:

	2024			2023		
	Within One Year	Beyond One Year	Total	Within One Year	Beyond One Year	Total
Financial Assets						
Cash and cash equivalents	746,423,783	–	746,423,783	424,211,076	–	424,211,076
Financial assets at FVTPL						
Loans and receivables	2,099,488,350	338,616,095	2,438,104,445	236,918,854	2,160,494,799	2,397,413,653
HTM investments	6,890,036,501	26,892,925,111	33,782,961,612	4,922,491,902	24,396,784,981	29,319,276,883
AFS financial assets	–	1,252,499,311	1,252,499,311	–	972,997,288	972,997,288
Accrued income	755,836,773	–	755,836,773	576,237,368	–	576,237,368
	10,491,785,407	28,484,040,517	38,975,825,924	6,159,859,200	27,530,277,068	33,690,136,268
Nonfinancial Assets						
Property and equipment	–	200,154,524	200,154,524	–	180,735,862	180,735,862
Right-of-use assets	–	35,453,936	35,453,936	–	28,500,447	28,500,447
Investment properties	–	367,641,529	367,641,529	–	413,456,367	413,456,367
Investments in associates	–	2,081,084,556	2,081,084,556	–	1,815,053,786	1,815,053,786
Pension asset	–	42,341,540	42,341,540	–	40,596,479	40,596,479
Other assets	34,366,898	–	34,366,898	29,194,718	5,386,472	34,581,190
	34,366,898	2,726,676,085	2,761,042,983	29,194,718	2,483,729,413	2,512,924,131
	10,526,152,305	31,210,716,602	41,736,868,907	6,189,053,918	30,014,006,481	36,203,060,399
Less: Allowance for credit losses			1,315,434			1,201,648
Accumulated depreciation – property and equipment			96,147,978			80,794,686
Accumulated depreciation – ROU asset			16,521,149			12,469,287
Accumulated depreciation – investment properties			125,697,457			121,017,221
			41,497,186,889			35,987,577,557
Financial Liabilities						
Accounts payable and accrued expenses	82,288,707	–	82,288,707	30,877,667	–	30,877,667
Lease liabilities	11,307,825	8,113,858	19,421,684	16,281,555	–	16,281,555
Claims payable	199,051,519	–	199,051,519	156,209,519	–	156,209,519
	292,648,051	8,113,858	300,761,910	203,368,742	–	203,368,742
Nonfinancial Liabilities						
Insurance contract liabilities	–	18,072,356,940	18,072,356,940	–	16,073,884,929	16,073,884,929
Retirement fund	–	12,974,289,747	12,974,289,747	–	11,378,531,250	11,378,531,250
Others	4,642,252	–	4,642,252	4,717,172	–	4,717,172
	4,642,252	31,046,646,688	31,051,288,940	4,717,172	27,452,416,179	27,457,133,35
	297,290,304	31,054,760,546	31,352,050,850	208,085,913	27,452,416,179	27,660,502,09

30. Approval of the Financial Statements

The accompanying financial statements of the Association were approved and authorized for issue by the Board of Trustees on April 25, 2025.

31. Supplementary Tax Information Required Under Revenue Regulations 15-2010

The Association reported and/or paid the following types of taxes in 2024:

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 (see Note 1).

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

The Association paid Output VAT from its rental income, interest earned from loans receivables and property sold amounting 2.45 million, 5,140 and ₱4.09 million, respectively.

b. The Association did not incur any input VAT in 2024.

Information on the Association's importations

The Association does not undertake importation activities.

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 Statement of Comprehensive Income.

Details consist of the following in 2024:

Local tax	
License and permit fees	2,263,447
Real property taxes	1,696,308
Others	3,529,226
	7,488,981
National tax	
Registration fees	22,000
	7,510,981

c. **Withholding Taxes**

Details consist of the following:

	Remitted	December 31, 2024
Withholding taxes on compensation and benefits	2,807,647	265,530
Expanded withholding taxes	6,502,074	812,481
	9,309,721	1,078,011

d. **Tax Assessments and Cases**

The Association received a letter of assessment (LOA) from BIR on January 23, 2025 for the taxable year 2023.



Appendices

PRODUCTS AND SERVICES

Basic Life Insurance Program [BLIP] and Retirement Fund (RF)				
Product Description	Basic Life Insurance Plan is the Basic Policy of the members covering the members and his/her qualified legal dependents. It provides life insurance benefit with total and permanent disability benefit, accidental death benefit and hospitalization benefit in case the member or his/her legal spouse encountered a vehicular accident. Retirement Fund is an administered fund intended for the retirement of the members.			
Age Eligibility	18 Years Old but not more than 65 Years Old			
Exit Age	70 Years Old (for members recognized on May 1, 2006 onwards)			
Amount of Contribution/ Premium	PhP 20.00 (PhP 15.00 for BLIP and PhP 5.00 for RF)			
Mode of Payment	Weekly			
Benefits	Length of Membership	Cause of Death/ TPD	Amount of Benefits for Members	Amount of Benefits for Legal Dependents
	Less than 1 Year	Pre-existing Condition	PhP 2,000.00	Spouse – PhP 2,000.00 Child – None Parent – None
		Natural Cause	PhP 10,000.00	PhP 5,000.00
		Accident	PhP 20,000.00	
	1 Year or More but less than 2 Years	Natural Cause	PhP 20,000.00	PhP 5,000.00
		Accident	PhP 40,000.00	
	2 Years or More but less than 3 Years	Natural Cause	PhP 30,000.00	PhP 10,000.00
		Accident	PhP 60,000.00	
	3 Years and Above	Natural Cause	PhP 50,000.00	PhP 10,000.00
		Accident	PhP 100,000.00	
Riders	Motor Vehicular Accident Hospitalization (MVAH) Benefit	CARD MBA shall reimburse the actual medical expenses based on hospital bill or official receipts for such treatment incurred within 180 days from the date of accident up to a maximum of Php 10,000.00 per married couple within the entire membership of the member.		
	Retirement Fund	Upon termination of BLIP due to member's death, TPD, resignation, termination, or retirement, the member is entitled to receive all contributions made to his/her retirement fund, plus interest at a rate to be determined by the Board of Trustees but in no case less than the prevailing savings deposit interest rate of top three (3) commercial.		
Who is/are insured?	Member and qualified legal dependents			

	Married	Single with child/ren	Single without child/ren
Legal Dependents	Legal Spouse	All children who are single, at least 14 days old but not over 21 years of age	Parents who are 60 years old and above
	All children who are single, at least 14 days old but not over 21 years of age	All children over 21 years old, single, has congenital disability and incapacitated to work	
	All children over 21 years old, single, has congenital disability and incapacitated to work		
Refund of Contribution	The member is entitled to receive FIFTY PERCENT (50%) Refund (Member's Equity Value) of the total contributions made to BLIP during the period of his/her membership, plus interest at a rate to be determined by the Board of Trustees but in no case less than the prevailing savings deposit interest rate of top three (3) commercial banks		

Loan Redemption Fund Plus [LRF Plus]

Product Description	LRF Plus is a Credit Life Insurance Program (CLIP) that gives loan protection to member-borrowers and protects CARD MBA's accredited microfinance institutions by ensuring 100% collection of loans extended to the members in case of death, Total and Permanent Disability and Motor Vehicular Accident Hospitalization.	
Age Eligibility	18 Years Old but not more than 75 Years Old	
Exit Age	75 Years Old (Members recognized before May 1, 2006 are still eligible for LRF Plus coverage, however, MVAH coverage is until 70 years old only)	
Amount of Contribution/ Premium	PhP 15 per PhP 1,000.00 loan amount per year	
Mode of Payment	One-time payment at the time of loan release (start of term)	
Benefits	Death	100% of the Principal Loan Amount The outstanding principal loan balance shall be paid to the Creditor while the paid portion (principal amount) shall be paid to the member's beneficiary.
	Total and Permanent Disability (TPD)	Outstanding Principal Loan Balance
Riders	Motor Vehicular Accident Hospitalization (MVAH) Benefit	10% of the Principal Loan Amount; coverage until 70 years old only
Who is/are insured?	Member	
Legal Dependents	None	
Refund of Contribution	None	
Non-Forfeiture Option	None	

BLIP Extension Plan [BLIPEx]

Product Description	BLIP Extension Plan is a Single Pay Whole Life Insurance Plan. This product serves as the Basic Policy for the members graduating/retiring from the Basic Life Insurance Program.
Age Eligibility	70 Years Old
Exit Age	100 Years Old
Amount of Contribution/ Premium	PhP 1,000.00
Mode of Payment	Single Pay (upon retirement to BLIP)
Benefits	PhP 1,000.00
	BLIPEx and GLIP only covers the death of the member. No benefit shall be given in case of member's TPD.
Riders	None
Who is/are insured?	Member
Legal Dependents	None
Refund of Contribution	PhP 500.00
Non-Forfeiture Option	Cash Surrender Value

Golden Life Insurance Program [GLIP]

Product Description	Golden Life Insurance Program, a limited pay whole life insurance program which may be availed by the member provided that the member is enrolled to the Basic Life Insurance Program Extension Plan.
Age Eligibility	70 Years Old (shall be enrolled to BLIPEx)
Exit Age	100 Years Old
Amount of Contribution/ Premium	Option 1: PhP 50.00 Option 2: PhP 100.00
Mode of Payment	Weekly Premiums for GLIP shall be payable for TEN (10) YEARS only.
Benefits	Option 1: PhP 25,000.00 Option 2: PhP 50,000.00
	BLIPEx and GLIP only covers the death of the member. No benefit shall be given in case of member's TPD.
Riders	None
Who is/are insured?	Member
Legal Dependents	None
Refund of Contribution	None
Non-Forfeiture Option	Cash Surrender Value and Reduced Paid-Up

Remitter Protek Plan [RPP]		
Product Description	Remitter Protek Plan is a group personal accident insurance cover that provides benefits for death, dismemberment/disablement and daily hospitalization caused by an accident while the insured is on the process of remitting the collection of the center. This plan also provides Motor Vehicular Accident Hospitalization Benefit in case the insured encountered a vehicular accident.	
Age Eligibility	18 Years Old but not more than 65 Years Old	
Exit Age	65 Years Old	
Amount of Contribution/ Premium	PhP 200 per year	
Mode of Payment	Annual	
Benefits	BENEFIT DESCRIPTION	BENEFIT AMOUNT
	Accidental Death	PhP 50,000.00
	Accidental Dismemberment / Disablement	PhP 50,000.00*
	Motor Vehicular Accidental Hospitalization Benefit	PhP 15,000.00
	Accidental Daily Hospitalization Income Benefit	PhP 500.00 per day up to maximum of 30 days per policy year
	<i>*The amount payable is equal to the applicable percentage of the Accidental Dismemberment/Disablement Benefit of PHP 50,000.00 following the schedule of injuries</i>	
Who is/are insured	Member-Remitter	
Dependents	N/A	

Family Security Plan (FSP)

Product Description	Family Security Plan is a Yearly Renewable Term Plan which may be availed by eligible member to supplement the coverage he/she and his/her dependent/s currently enjoy under the mandatory Basic Life Insurance Plan (BLIP).		
Age Eligibility	18 Years Old but not more than 65 Years Old		
Exit Age	70 Years Old		
Amount of Contribution/ Premium	PhP 1,000.00 per year		
Mode of Payment	Annual		
Benefits	Insured	Amount of Benefit	
		Sickness	Accident
	Member	PhP 50,000.00	PhP 100,000.00
	Spouse	PhP 50,000.00	PhP 100,000.00
	Child	PhP 20,000.00	PhP 40,000.00
	Parent	PhP 20,000.00	PhP 40,000.00
Who is/are insured?	Members and qualified legal dependents		
Dependents	Married	Single with child/ren	Single without child/ren
	Legal Spouse	All children who are single, at least 14 days old but not over 21 years of age	Parents who are 60 years old and above
	All children who are single, at least 14 days old but not over 21 years of age	All children over 21 years old, single, has congenital disability and incapacitated to work	
	All children over 21 years old, single, has congenital disability and incapacitated to work		

AcciPlan			
Product Description	AcciPlan is a Yearly Renewable Term Plan intended to supplement the accident-related benefits the insured (member and legal dependents) are entitled to under the Basic Life Insurance Program (BLIP) and Family Security Plan (FSP).		
Age Eligibility	18 Years Old but not more than 65 Years Old		
Exit Age	70 Years Old		
Amount of Contribution/ Premium	PhP 850.00 per year		
Mode of Payment	Annual		
Benefits	Benefit Description		Benefit Amount
	Accidental Death		PhP 50,000.00
	Accidental Dismemberment / Disablement		PhP 50,000.00
	Motor Vehicular Accidental Hospitalization Benefit		PhP 15,000.00
	Accidental Daily Hospitalization Income Benefit		PhP 500 per day up to maximum of 30 days per policy year
	<i>*The amount payable is equal to the applicable percentage of the Accidental Dismemberment/Disablement Benefit of PHP50,000.00 following the schedule of injuries</i>		
Who is/are insured?	Members and qualified legal dependents		
Dependents	Married	Single with child/ren	Single without child/ren
	Legal Spouse	All children who are single, at least 14 days old but not over 21 years of age	Parents who are 60 years old and above
	All children who are single, at least 14 days old but not over 21 years of age	All children over 21 years old, single, has congenital disability and incapacitated to work	
	All children over 21 years old, single, has congenital disability and incapacitated to work		

NON-FINANCIAL SERVICES

Non-financial Services	Description
BOAT Program	The Build-Operate-and-Transfer (BOAT) Program was developed in 2006 as part of CARD MBA's organizational development strategy. The objective is for the association to propagate good practices in microinsurance, thereby capacitating marginalized groups to provide risk protection services to members in a cost-effective and sustainable manner. BOAT Program is packaged assistance for organized groups in setting-up their mutual benefit associations.
Mass Wedding	The Mass Wedding program is also a comfortable service given to the new members with at-least seven (7) months of membership, for the member's common-law spouse will be legitimized and became legal dependents. The CARD MBA, Inc. will shoulder all expenses related to documentary requirements of a mass wedding ceremony including the solemnization fee. This must be participated by at least 10 couples.
CDRAP	In line with the Institutional goal of providing assistance and security to its members without additional contribution, CARD MBA launch CARD MRI Disaster Relief Assistance Program on 2006 to provide assistance thru distribution of relief good (family pack) all severely affected members of natural and/or man-made disasters such as but not limited to: <ul style="list-style-type: none"> a. Earthquake b. Flood c. Landslide d. Volcanic Eruption e. Fire f. Typhoon g. El Nino h. State of siege
Philippine Statistics Authority Document Request Service (PSA-DRS)	Through partnership with Philippine Statistics Authority (PSA), members and their legal dependents can secure a copy of their legal and authenticated documents such as marriage contract, birth certificate, death certificate and Certificate of No Marriage. This program aims to help the members and the legal dependents to expedite the process on securing required documents during claims settlement. Only documents registered and took place for at least 7 months and above can be requested.

AWARDS

2 Golden Arrow Awardee (2023 ito)

CARD MBA was recognized as a 2-Golden Arrow Awardee scoring 94.68%. The 2-Golden Arrow Award is presented to insurance companies that garnered a score of 90-99 in the [2021] corporate governance scorecard assessment conducted by the ICD. CARD MBA is also part of the top-performing companies in Mutual Benefit Associations (MBAs) with regards to good corporate governance.

PARTNERSHIP

- TINABANGAY SA IGSOONG MAG-UUMA GASA NI SAN ISIDRO MPC -TIMGAS (BOHOL)
- BUKIDNON INTEGRATED NETWORK OF HOME INDUSTRIES INC.-BINHI - (BUKIDNON)
- GRAINS MULTI-PURPOSE COOPERATIVE (DAVAO 1)
- BAGNOS MPC - (ILOCOS NORTE)
- CAUNAYAN MPC - (ILOCOS NORTE)
- SAN JULIAN MPC - (ILOILO)
- PROGRESSIVE WOMEN AGRARIAN REFORM COOPERATIVE -PWARC (ILOILO 2)
- UMIRAY AGRARIAN REFORM BENEFECIARIES -UMARBEMPCO (NUEVA ECIJA)
- NANGALISAN MULTI-PURPOSE COOPERATIVE (NUEVA VIZCAYA)
- SIPSIPIN MPC - (RIZAL)
- TINAGACAN AGRARIAN REFORM BENEFECIARIES -TRBC (SOUTH COTABATO)
- PADRE BURGOS MULTI-PURPOSE COOPERATIVE (SOUTHERN LEYTE)
- LIBERCON MULTI-PURPOSE COOPERATIVE (SOUTHERN LEYTE)
- LIMCOMA RURAL BANK, INC. (BATANGAS 1)

OFFICE DIRECTORY

Ilocos Norte
Ilocos Sur 1
Ilocos Sur 2
La Union

Lagasca St, Brgy 10 San Jose , Laoag City, Ilocos Norte.
Cariño St. Brgy. San Jose, Candon City, Ilocos Sur
Brgy. Tamag, Vigan City, Ilocos Sur
Gaetos Compound Brgy. Lingsat, San Fernando City, La Union

Benguet
Pangasinan 1
Pangasinan 2
Pangasinan 3

#19 Pinpin St. Palma Urbano Baguio City
PC Apartment, Zone 2 Sison St., Brgy. Bayaoas, Urdaneta City, Pangasinan
#88 Brgy. Gabon, Calasiao, Pangasinan
G. Market Place Bldg. Highway Brg.Pogo, Alaminos City, Pangasinan

Cagayan 1
Isabela
Cagayan 2
Nueva Vizcaya

Zone5 1A Caritan Centro Tuguegarao City
#3 JRB Building Brgy. Osmeña, Ilagan City Isabela
#2 Magsaysay St. Centro 1, Aparri Cagayan
Acierto St. Bonfal Proper,Bayombong Nueva Vizcaya

Tarlac
Bataan
Nueva Ecija
Pampanga
Bulacan

191 Rizal St. San Miguel Tarlac City, Tarlac
#4 Cruz Town House, Sampaguita St. Palmera Subd. Tenejero Balanga City, Bataan 2100
#77 Purok 2, Kapitan Pepe Avenue, Brgy. Kapitan Pepe, Cabanatuan City
2nd floor Rizal Bank Mc Arthur Highway, Brgy. Dolores, San Fernando City, Pampanga
Lot 4 1318 Jupiter St. San Felipe Subd. Mojon Malolos City, Bulacan

Metro Manila 3
Rizal
Metro Manila 1
Metro Manila 2
Metro Manila 4

Apitong St, Pilar Village Brgy.Pilar Talon
Unit c3, Blk. 1 Lot 2, Ascona St., Village East Executives Home, Cainta Rizal
#3741 General Estrella St. Brgy. Bangkal Makati City
85-3 sct. Delgado, Brgy. Laging Handa, quezon City
4 Cagayan st., Ramon Magsaysay Quezon City

Palawan 1
Palawan 2

82 Manalo St. Purok Santan, Brgy. Maunlad, Puerto Princesa City, Palawan
Purok 6, San Lorenzo, Poblacion Taytay, Palawan

Oriental Mindoro 1
Oriental Mindoro 2
Oriental Mindoro 3
Romblon

Brgy Sto. Nino Calapan City Oriental Mindoro
Unit 8 Bldg. B, M & A Apartment, Padre Gomez St. Fabella Village, Brgy Bagumbayan, Roxas, Oriental, Mindoro
Brgy. Zone 1, Pinamalayan, Oriental Mindoro
Bonifacio St., Ligaya, Odiongan, Romblon

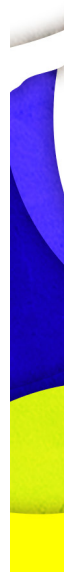
Batangas 1
Batangas 2
Occidental Mindoro 1
Occidental Mindoro 2

A Bonifcaio St. Cor San Vicente St. Brgy 10, Lipa City, Batangas
Mabini St., Poblacion 11, Batangas City, Batangas
Purok 1 - Jasmine St., Pag-Asa, San Jose, Occidental Mindoro
Payompon, Mamburao, Occidental Mindoro



Cavite 1	Blk 3 Lot 3 Yakal St. Don Gregorio Subd. Brgy. Samapaloc II Dasmariñas Cavite
Cavite 2	2nd Flr. CARD SME Bldg. B1 L1 Foggy Heaight Village, Brgy San Jose, Tagaytay City, Cavite
Cavite 3	005 Bulek Street Brgy. Luciano Trece Martires Cavite
Batangas 4	Union St. Poblacion 5, Balayan, Batangas
Batangas 3	San Sebastian Village, Brgy. Poblacion 3, Tanauan City, Batangas
Laguna 2	#58 National Highway, Brgy. Balian, Pangil, Laguna
Laguna 3	#152 Purok 3, National Highway Brgy. Dila, Bay Laguna
Laguna 4	2nd Floor CARD SME Bldg. Brgy. Uno Calamba City Laguna
Laguna 1	Hermanos Belen St. Barangay 3B, San Pablo City, Laguna 4000
Marinduque	2nd Floor CARD MRI Building, San Jose St., Barangay Uno, Gasan, Marinduque 4905
Quezon 2	2nd Floor CARD MRI Building, Barcelona Street Barangay 1, Lucena City, Quezon 4301
Quezon 3	De Alday St. Barangay Poblacion, Candelaria, Quezon 4323
Camarines Norte	Purok 5, Barangay Gahonon, Daet, Camarines Norte 4600
Quezon 1	2nd Floor Coop Quezon Province, Bonifacio Street, Barangay Pipisik, Gumaca, Quezon Province 4307
Quezon 4	2nd Floor Lopez Quezon Multi-Purpose Cooperative Calauag Satellite Office, Quezon St., Barangay Baclaran, Calauag, Quezon
Quezon 5	A. Bonifacio St., cor. J. Rizal Ave. Barangay Poblacion 2, Lucban, Quezon Province 4328
Camarines Sur 1	Peñafrancia Ave., Barangay San Francisco, Naga City 4400
Camarines Sur 2	NBT Apartment, Highway 1, San Nicolas, Iriga City, Camarines Sur
Camarines Sur 3	Panday Street Panday (Pob) Goa, Camarines Sur 4422
Camarines Sur 4	Zone 1 Brgy Tara Sipocot Camarines Sur
Albay 1	Marquez St. Barangay 15 Ilawod East Poblacion Legazpi City, Albay 4500
Albay 2	VN Building, New Road, Baragay Tinago, Ligao City
Masbate 1	CARD MRI Building, Quezon Street, Brgy. Pating, Masbate City
Masbate 2	CARD MRI Building, Brgy. Banahao, Dimasalang, Masbate
Eastern Samar	Purok 1, Brgy. Campesao Borongan City Samar
Leyte 1	2nd Floor CARD MRI Building 182 Salazar Street Barangay 43 Tacloban City, 6500 Leyte
Leyte 2	AE Nicolasa Building, Osmeña St., Brgy. West, Ormoc City, Leyte
Samar	Purok-7, Rueda Extension, Barangay Hamorawon, Calbayog City, Samar 6710
Cebu 1	Andres Abellana Ext., Guadalupe, Cebu City, 6000 Cebu
Cebu 2	Corner Mabini St., Lapu-lapu St., Poblacion, Danao City, 6004 Cebu
Cebu 3	Upper Cogon Maximina, Brgy. Poblacion 1, Carcar City, 6019 Cebu
Southern Leyte	P. Gonzales St. Brgy. Abgao, Maasin City, 6600 Southern Leyte

Antique Capiz Iloilo 1 Iloilo 2	Centro Sur, Culasi, 5708 Antique 1917 Magallanes St., Brgy. III, Roxas City, 5803 Capiz Quezon St., Brgy. Sampaguita, 5000 Iloilo City Santillan St. Brgy. Poblacion Ilaya, Passi City 5037 Iloilo
Bohol Negros Occidental 1 Negros Occidental 2 Negros Oriental	Graham Avenue, Cogon District, Tagbilaran City, 6300 Bohol Bloodstone St. City Heights Subd, Brgy. Taculing, Bacolod City, 6100 Negros Occidental Repollo St. Brgy. 3, Kabankalan City, 6111 Negros Occidental Claytown Homes Daro, Dumaguete City, 6200 Negros Oriental
Davao Oriental Davao 1 Davao 2 Davao Del Norte	Don Luis Village Brgy Central Mati City, 8200 Davao Oriental JP Rizal Street corner Anda Brgy 3A Poblacion Davao City, 8000 Davao Del Sur Narra Street Lapu Lapu Extension Digos City, 8002 Davao Del Sur Caimito Street Mankilam Tagum City, 8100 Davao Del Norte
North Cotabato 1 South Cotabato 1 South Cotabato 2 Sultan Kudarat	Jade St., Saniel Subdivision, Poblacion, Kidapawan City MAB Apartment Door 3 & 4 Tiongson Extension Lagao General Santos City Purok Katipunan, Brgy Gen. P. Santos, Koronadal City, South Cotabato # 274 Panes St. Kalawag 1, Isulan, Sultan Kudarat
Cotabato Zamboanga Basulta Zamboanga Del Norte Zamboanga Sibugay Zamboanga Del Sur	RH 6, Sinsuat Avenue, Cotabato City 180-H Putik Highway Putik, Zamboanga City Padre Ramon St., Brgy. Estaka Dipolog City, Zamboanga Del Norte Purok New Jerusalem, Don Andres, Ipil, Zamboanga Sibugay Purok WalingWaling Roxas, Salazar St., Sta. Maria, Pagadian City, Zamboanga del Sur
Davao De Oro Agusan Del Sur Agusan Del Norte Surigao Del Norte Surigao Del Sur	Prk 1.Poblacion, Nabunturan Davao De Oro Prk 5 Brgy 3 San Francisco Agusan del Sur 276 2nd st. Guingona Sub, Brgy. JP Rizal, Butuan City, Agusan Del Norte 6257 Paglaum St. Villa Coreto Sub.Brgy.Washington, Surigao City 41 Pascual & Quiñones St.Purok Venus, Tandag City, Surigao Del Sur
Misamis Oriental Bukidnon Lanao Del Norte North Cotabato 2	CARD SME Building, CARD MBA 2nd floor Pabayo Cruz-Taal Brgy 9, Cagayan de Oro City, Misamis Oriental Purok 2 Lumbo Valencia City, Bukidnon Montefalcon Apartment, P-7 RCMS, Poblacion, Tubod, Lanao del Norte Purok Rosas Poblacion 8, Midsayap North Cotabato





Panatag Ka.

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