



2025

ANNUAL REPORT

Theme: "Inclusive Microinsurance Partnership in a Changing World"



June 19, 2026

CARE MBA, INC. BUILDING

39 Ilang-ilang St. Zaballero Subd.
Brgy. Gulang-Gulang, Lucena City

OUR COMMITMENT



VISION

The leading service-oriented microinsurance provider among cooperatives and other formal organized groups in the Philippines.

MISSION

Provide members timely and responsive microinsurance protection against risk



PHILOSOPHY OF SUCCESS

- F - fairness
- A - accountability
- I - integrity
- T - transparency
- H - humility



CARE MBA, INC.
#39 ILANG - ILANG ST. ZABALLERO SUBD.
BRGY. GULANG-GULANG, LUCENA CITY

INSIDE THIS REPORT

CARE MBA INC 2025

OUR COMMITMENT

- Vision
- Mission
- Philosophy of Success

MESSAGE FROM INSURANCE COMMISSIONER

MESSAGE FROM FOUNDER AND CHAIRMAN EMERITUS, CARD MRI

MESSAGE FROM EXECUTIVE DIRECTOR, MIMAP

MESSAGE FROM THE PRESIDENT

MESSAGE FROM THE GENERAL MANAGER

MESSAGE FROM THE BOARD OF ADVISER

MINUTES OF THE 15TH ANNUAL GENERAL MEETING

BOARD RESOLUTION FOR THE YEAR 2025

MEMBERSHIP UPDATE

OPERATION HIGHLIGHTS

FINANCIAL HIGHLIGHTS

WORKPLAN 2026

BUDGET 2025

2026 CANDIDATES FOR ELECTION

1

2

3

4

5

6

7

8

34

37

38

41

43

49

53

CORPORATE GOVERNANCE & MANAGEMENT

THE BOARD OF TRUSTEES'

BOARD OF TRUSTEES' PROFILE

DUTIES AND RESPONSIBILITIES OF THE BOARD OF TRUSTEES

COMMITTEE REPORTS

OTHER CORPORATE GOVERNANCE UPDATES

SUSTAINABILITY REPORTING

52

54

61

63

70

79

2025 AUDITED FINANCIAL STATEMENT 86

PHOTOS OF ACTIVITIES

15TH ANNUAL GENERAL MEETING

16TH FOUNDING ANNIVERSARY

TRAININGS ATTENDED

SOCIAL RESPONSIBILITY

THE SCHOLARS

GROUND BREAKING - NEW BUILDING

COOPERATIVES' GENERAL ASSEMBLY

MEETING ATTENDED



MESSAGE FROM INSURANCE COMMISSIONER



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue, Manila



COOPERATIVE ALLIANCE FOR RESPONSIVE ENDEAVOR MUTUAL BENEFIT ASSOCIATION, INC. 2025 ANNUAL REPORT

MESSAGE

On behalf of the Insurance Commission, I extend my warmest congratulations to the **Cooperative Alliance for Responsive Endeavor Mutual Benefit Association, Inc. (CARE MBA)**.

Today, microinsurance accounts for a significant share of insurance offerings in the country. This underscores both its relevance and its potential. As such, microinsurance remains at the core of the Insurance Commission's financial inclusion agenda, serving as an effective tool in extending protection to families, workers, and communities most vulnerable to risk.

At the same time, we must remain responsive to evolving realities. Amid ongoing global challenges that affect economic stability, many Filipinos continue to face increasing financial strain. This calls for microinsurance solutions that are better aligned with their current financial capacities - products that are affordable, practical, and responsive to their everyday needs.

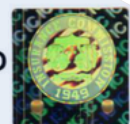
We commend CARE MBA for your continued commitment to making financial protection accessible to the communities you serve. This Report reflects the meaningful impact of your work, as seen in the growing number of members protected and the timely delivery of benefits that support them in times of need.

We look forward to strengthening our partnership with CARE MBA as we continue to advance a more inclusive, resilient, and responsive insurance sector for the Filipino people.

Maraming salamat po, at mabuhay ang CARE MBA!



REYNALDO A. REGALADO
Insurance Commissioner



Head Office, P.O. Box 3589 Manila | Trunkline: +(632) 8523-8461 | Fax. No: +(632) 8522-1434 | www.insurance.gov.ph





MESSAGE FROM FOUNDER AND CHAIRMAN EMERITUS, CARD MRI



To the Esteemed Board and Management, Dedicated Staff, Valued Partners, and Members of Cooperative Alliance for Responsive Endeavor Mutual Benefit Association (CARE MBA), Inc., I extend my warmest greetings and congratulations as you present your 2025 Annual Report. This report marks another year of outstanding dedication to our shared mission, embodying the essential principle of “Inclusive Microinsurance Partnership in a Changing World.”

This focus perfectly captures the essence of our collective purpose: to ensure that no family is left behind on the road to a more secure future. In an environment defined by rapid change and unforeseen challenges, microinsurance remains a vital, non-negotiable safety net. It is more than just a financial product; it is a fundamental tool for financial inclusion, empowering marginalized and low-income communities to build resilience and face life’s uncertainties with confidence and dignity.

Our journey toward poverty eradication has taught us that true change is anchored in the relationships we form and the trust we gain from the people we serve. As we move forward on our path of continuous progress, we recognize that innovation must be grounded in the basic principles that have always been our strength—what we call our "Back to Basics" approach.

Innovation, whether through enhancing digital platforms or advancing the use of technology like AI for more efficient service delivery—is most powerful when it remains focused on our core values of cooperativism. This ensures that even as we adopt new methods, every service we provide is rooted in genuine care and human connection.

The success of CARE MBA rests on the strength of your partnerships and the dedication of your leaders, staff, and coordinators who serve as the crucial bridge to the communities. Your commitment to expanding protection to your membership reinforces the promise that microinsurance is a commitment fulfilled in times of loss and difficulty.

As you look back on your achievements of the past year and plan the path ahead, let us reaffirm our shared belief: that by working together with integrity, diligence, and a deep commitment to financial inclusion, we are not just protecting lives—we are nurturing a future where every Filipino family can overcome the confines of poverty.

I look forward to our continued alliance and success in the years to come. More power!
Cooperatively Yours,

DR. JAIME ARISTOTLE B. ALIP
CARD MRI Founder and Chairman Emeritus



MESSAGE FROM EXECUTIVE DIRECTOR, MiMAP (RIMANSI)



To the Board of Trustees, the dedicated management and staff, and most importantly, the member-owners of CARE MBA, on behalf of the Microinsurance MBA Association of the Philippines (MiMAP), I offer my sincerest congratulations as CARE MBA celebrates its 16th Annual General Meeting. This milestone is a testament to your collective dedication, strong leadership, and an unwavering commitment to excellence in serving your member-policyholders.

Today's environment demands greater responsiveness and purpose. As the microinsurance landscape evolves, CARE MBA continues to lead by example—not only by navigating technological and economic shifts but by deepening the roots of its mission.

In line with this year's theme, we particularly commend your forward-looking strategies to strengthen and reinforce your 'partner for life' bond with partner-cooperatives and organizations, ensuring that responsive insurance protection remains accessible and deeply integrated within the communities you serve. We also laud your commitment to mobilize a pool of dedicated volunteer MBA Coordinators from your general membership, which is a powerful step toward true member participation and empowerment. This initiative transforms members from policyholders into active guardians of their own community's resilience.

By serving as a vital instrument for social protection of over 29,000 members and their families, CARE MBA is doing more than providing a safety net, you are restoring hope and dignity to every family you reach.

As we look ahead, MiMAP remains a steadfast partner in your journey. Here's to a brighter, stronger, and more inclusive future.

Mabuhay ang CARE MBA at ang lahat ng Tagapagtaguyod ng Microinsurance!

JUN JAY E. PEREZ
Executive Director, MiMAP (RIMANSI)



MESSAGE FROM THE PRESIDENT

On behalf of the Board of Trustees, I would like to extend my warmest greetings to the members, stakeholders, and partners of CARE MBA, Inc. Congratulations are also in order, in recognition of the hard work, commitment and initiatives of the management team.

2025 was a year full of challenges and significant changes, with all the directives and issuances from different regulatory agencies and the impact of economic changes. Through it all CARE MBA, Inc. stays steadfast in its commitment to providing affordable insurance and promoting financial inclusion.

It is my honor and privilege to serve as your President and to have been able to contribute, in my own little way, to strengthen CARE MBA's stance as a catalyst in the micro-insurance industry in our local community, altering the public perception that insurance is only for those who can afford it into something essential in their everyday dealings.

Looking forward, members, partners and stakeholders can be assured that CARE MBA, Inc. will never stop innovating and customizing products to cater insurance needs of its members. Partnerships are forged and strengthened to provide relevant products, making sure that no member is left out, no matter their circumstance and social status.

I would like to thank the members and partners of CARE MBA, Inc. Your continued confidence, your inputs and feedbacks are the building blocks in making CARE MBA, Inc. more resilient in overcoming challenges. I am excited to continue serving CARE MBA, Inc. and contribute in creating positive impact in the community and provide outcomes that bring benefits to all our stakeholders.


ATTY. JOYCEE M. SIO
President



MESSAGE FROM THE GENERAL MANAGER

Warm greetings to all partners, members and stakeholders of the Cooperative Alliance for Responsive Endeavor Mutual Benefit Association (CARE MBA), Inc. as we celebrate another significant milestone for this year - our 17th Anniversary and 16th Annual General Meeting.

Since its foundation on April 1, 2009, our association has continued to thrive, overcoming numerous hardships and challenges along the way.



From the global COVID-19 pandemic to the geopolitical tensions between Israel, Iran and the United States of America, that severely affected us. Yet, through it all, our commitment to service remains strong and our microinsurance program stands firm and resilient through every trial.

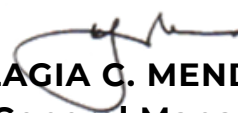
As we celebrate this year's 16th Annual General Meeting with the theme: "Inclusive Microinsurance Partnership in a Changing World" let us continue to build a stronger alliance to sustain our shared mission of providing an inclusive, reliable and responsive microinsurance protection to our members especially this time of uncertainty and evolving challenges. Now is the time to prioritize our microinsurance, each one of us must have a life protection especially the grass roots of our society who are the most vulnerable during this time of crisis.

We strongly encourage our partners to inspire and motivate their members to enroll in CARE MBA, Inc. With just one policy, your entire family can be protected and insured, ensuring peace of mind and financial security.

On behalf of the Management Staff, we would like to thank all our partners and members for your continuous support of our association. You are living proof that anything is possible when we unite and support one another.

Throughout the past 17 years of CARE MBA, Inc., you have never left our side. Instead, you have remained steadfast in supporting our endeavors and helping grow our membership.

Happy 16th Annual General Meeting.
Mabuhay ang ating CARE MBA, Inc.!


PELAGIA C. MENDONES
General Manager



MESSAGE FROM BOARD OF ADVISER



WARMEST GREETINGS to the officers and members of Cooperative Alliance for Responsive Endeavor Mutual Benefit Association (CARE MBA), Inc. on the occasion of its 16th Annual General Meeting.


As part of the good governance practices, annual meeting is held to render financial and non financial reports of the association. Everyone should attend and participate actively during this important event. Active and participative membership is the backbone of any organization.

“ Inclusive Microinsurance Partnership in a Changing World” is the theme for this year. This speaks to a shared responsibility—one that calls on us to adapt, collaborate, and innovate in order to protect the most vulnerable sectors of society. In a world shaped by rapid technological advances, economic uncertainty, and evolving risks, microinsurance remains a powerful tool for financial inclusion and resilience.

This theme also reminds us that no single institution can address these challenges alone. Strong partnerships—among insurers, government agencies, private organizations, and communities—are essential in creating solutions that are accessible, affordable, and responsive to real needs. Inclusivity ensures that even those at the margins are given a voice, a choice, and a safety net.

Inclusive microinsurance is not just about protection—it is about empowering individuals and communities to recover, adapt, and thrive despite uncertainties. Strong partnerships ensure that support systems remain stable and responsive, even as global conditions continue to shift.

Again, happy Annual General Meeting!


PAZ L. BOBADILLA, CPA
Board of Adviser

Minutes of the 15th Annual General Meeting of CARE MBA, Inc. held at St. Jude Coop Hotel and Event Center on May 30, 2025



In Attendance Board of Trustees

- | | |
|--------------------------------|-----------------------|
| 1. Criselda R. Abuel | - President |
| 2. Atty. Joycee M. Sio | - Vice-President |
| 3. Perseverando C. Fajardo | - Treasurer |
| 4. Armiel A. Azul | - Trustee |
| 5. Lucilo G. Jimenez | - Trustee |
| 6. Gaudioso A. Lavadia | - Independent Trustee |
| 7. Mary Juliet D. R. Labitigan | - Independent Trustee |

Election Committee

- | | |
|--------------------------|--------------------|
| 8. Sedfrey R. Potestades | - Chairperson |
| 9. Engr. Sonia J. Mayuga | - Vice-Chairperson |
| 10. Edenel F. Vasquez | - Secretary |

Officers

- | | |
|------------------------------|---|
| 11. Paz L. Bobadilla, CPA | - Board of Adviser |
| 12. Erlene E. Barandino | - Corporate Secretary |
| 13. Melody L. Bringel | - Internal Auditor |
| 14. Dominador S. Tamayo, CPA | - Audit and Related Party Transactions Committee Member |

In Attendance Board of Trustees

- | | |
|-------------------------------|--|
| 15. Pelagia C. Mendones | - General Manager |
| 16. Ma. Lourdes E. Quesa | - Admin and Operations Manager |
| 17. Graemarc Lester L. Alzaga | - MIS Officer |
| 18. Marianne C. Castro | - Training and Marketing Officer / Cashier |
| 19. Gilda R. Babasa | - Executive Secretary |
| 20. Marie Joy M. Polinar | - Account Officer |
| 21. Gil Paolo B. Reynoso | - Junior MIS |
| 22. Giancarlo C. Mendones | - MIS Assistant / Driver |
| 23. Brein Symon Diala | - Accounting Associate I |
| 24. Reinnie Rose P. Torres | - Accounting Associate I |
| 25. Jessa B. Cabael | - Accounting Assistant |

Other Guests

- | | |
|---------------------------|---------------------------------------|
| 26. Leomar B. Villapando | - President, PICPA-Quezon Chapter |
| 27. Daniella Amarilles | - OJT |
| 28. Lyca Verdera | - College Scholar |
| 29. Marc Vincent Manzo | - Sales Executive, Vission Appliances |
| 30. Marlo Jason Guillermo | - Sales Executive, Vission Appliances |

Partners / Representatives

District 1 Representatives

- | | |
|--------------------------|---|
| 31. Donald P. Villamarzo | - Cagsiy 1 Multi-Purpose Cooperative, Mauban, Quezon |
| 32. Nhoymie Deligente | - Cagsiy 1 Multi-Purpose Cooperative, Mauban, Quezon |
| 33. Reilyn S. Daya | - Farmers Multi-Purpose Cooperative, Sampaloc, Quezon |
| 34. Jhanella Dayo | - Farmers Multi-Purpose Cooperative, Sampaloc, Quezon |
| 35. Nilda R. Vegerano | - Ilasan Multi-Purpose Cooperative, Tayabas City |
| 36. Lydia G. Padilla | - Ilasan Multi-Purpose Cooperative, Tayabas City |

Minutes of the 15th Annual General Meeting of CARE MBA, Inc. held at St. Jude Coop Hotel and Event Center on May 30, 2025



- 37. Ma. Lucia J. Oabel - Ilasan Multi- Purpose Cooperative, Tayabas City
- 38. Merly L. Detoito - KUMARE, Inc., Real, Quezon
- 39. Aylene O. Fabula - KUMARE, Inc., Real, Quezon
- 40. Myla Leynes - KUMARE, Inc., Real, Quezon
- 41. Jhomar Oxina - KUMARE, Inc., Real, Quezon
- 42. Grace Prudente - KUMARE, Inc., Real, Quezon
- 43. Janeth Ayapana - KUMARE, Inc., Real, Quezon
- 44. Russel de Ramos - LEAF Multi-Purpose Cooperative, Lucban, Quezon
- 45. Annabelle Constantino - LEAF Multi-Purpose Cooperative, Lucban, Quezon
- 46. Eufemio Elloso Jr. - LEAF Multi-Purpose Cooperative, Lucban, Quezon
- 47. Ines Liberty Villon - LEAF Multi-Purpose Cooperative, Lucban, Quezon
- 48. Garry Clent Sales - LEAF Multi-Purpose Cooperative, Lucban, Quezon
- 49. Elizalde h. Veluya - Lucban District Teachers MultiPurpose Cooperative
- 50. Ramil Gavino - Lucban Genesis TS Multi-Purpose Cooperative, Lucban, Quezon
- 51. Franklin Esquires - Lucban Genesis TS Multi-Purpose Cooperative, Lucban, Quezon
- 52. Rhessa Oblena - PEARLS Multi-Purpose Cooperative, Lucban, Quezon
- 53. Jane Ellaga - PEARLS Multi-Purpose Cooperative, Lucban, Quezon
- 54. Richelle Nañola - PEARLS Multi-Purpose Cooperative, Lucban, Quezon
- 55. Babylyn Almonte - RSL Federation, Real, Quezon
- 56. Jocelyn Capablanca - RSL Federation, Real, Quezon
- 57. Aida Sandoval - RHUDARDA Multi-Purpose Cooperative, Polillo, Quezon
- 58. Marieta Cuevas - RHUDARDA Multi-Purpose Cooperative, Polillo, Quezon
- 59. Zaldy Bosque - RHUDARDA Multi-Purpose Cooperative, Polillo, Quezon
- 60. Realissa E. Garay - RHUDARDA Multi-Purpose Cooperative, Polillo, Quezon
- 61. Jorge Alivio - San Luis Development Cooperative, Lucban, Quezon
- 62. Trinidad Gonzales - San Luis Development Cooperative, Lucban, Quezon
- 63. Amparo Lagrosas - Tayabas Community Multi-Purpose Cooperative, Tayabas City
- 64. Radito C. Labita - Tayabas Community Multi-Purpose Cooperative, Tayabas City

District 2 Representatives

- 65. Felipe A. Merano - AEC Multi-Purpose Cooperative, Lucena City
- 66. Socorro D. Cabili - AEC Multi-Purpose Cooperative, Lucena City
- 67. Sharon Salagubang - CBQP Employees Multipurpose Cooperative
- 68. Daisy Sarmiento - Harbor Christian Movement Credit Cooperative, Lucena City
- 69. Marilyn Decena - Koopnaman MultiPurpose Cooperative, Lucena City
- 70. Elizabeth Rejano - Koopnaman MultiPurpose Cooperative, Lucena City
- 71. Ligaya Palma - Lucena Development MultiPurpose Cooperative, Lucena City
- 72. Zarina Laureano - Lucena Development MultiPurpose Cooperative, Lucena City
- 73. Marilou Milan - MARBENCO, Sariaya, Quezon
- 74. Myra Castillo - MARBENCO, Sariaya, Quezon
- 75. Samantha P. Erese - PALCON Dairy MultiPurpose Cooperative, Sariaya, Quezon
- 76. Graichelle Q. Ferrer - PALCON Dairy MultiPurpose Cooperative, Sariaya, Quezon
- 77. Roselle Villanueva - Pinagdanlayan Rural Improvement Club Coop., Dolores, Quezon
- 78. Russell Wendell Dionedo - QCRB Group Provident Cooperative
- 79. Jun E. Legaspi - QCRB Group Provident Cooperative
- 80. Jahmel N. Mora - Quezon Federation and Union of Cooperatives
- 81. Cecillia Villanueva - Quezon Federation and Union of Cooperatives
- 82. Vanesa G. Laynes - Quezon Federation and Union of Cooperatives
- 83. Noel L. Oabel - Quezon Federation and Union of Cooperatives
- 84. Edcel Marrison B. Derilo - QMMG MultiPurpose Cooperative, Lucena City
- 85. Dennis L. Cadeliña - QPGOE MultiPurpose Cooperative, Lucena City
- 86. Rhoderick G. Lagos - QPGOE MultiPurpose Cooperative, Lucena City
- 87. Rowena M. Lubiano - St. Jude MultiPurpose Cooperative, Lucena City
- 88. Dennis I. Cocadiz - St. Jude MultiPurpose Cooperative, Lucena City
- 89. Rosemarie R. Manguerra - St. Jude MultiPurpose Cooperative, Lucena City
- 90. Elenita M. Escasa - St. Jude MultiPurpose Cooperative, Lucena City
- 91. Helen A. AGuila - St. Jude MultiPurpose Cooperative, Lucena City
- 92. Melanie P. Fontarum - St. Jude MultiPurpose Cooperative, Lucena City

Minutes of the 15th Annual General Meeting of CARE MBA, Inc. held at St. Jude Coop Hotel and Event Center on May 30, 2025



93. Renato L. Obena

District 3 Representatives

94. Edna A. Noche
95. Nephtalie M. Fernandez
96. Ely Bonilo
97. Rosalie Eleazar
98. Bella O. Oineza
99. Maria Luisa del Rosario
100. Mamerto Peralta
101. Jefcelyn Jordan

- St. Jude MultiPurpose Cooperative, Lucena City

- Abuyon Natl. High Sch. Employees MPC, San Narciso, Quezon
- Abuyon Natl. High Sch. Employees MPC, San Narciso, Quezon
- CawayanII Farmers MultiPurpose Coop., San Francisco, Quezon
- Cawayan II Farmers MultiPurpose Coop., San Francisco, Quezon
- QuezonPower MultiPurpose Cooperative, Pitogo, Quezon
- Quezon Power MultiPurpose Cooperative, Pitogo, Quezon
- Yakap at Halik MultiPurpose Cooperative, Padre Burgos, Quezon
- Yakap at HalikMultiPurpose Cooperative, Padre Burgos, Quezon

District 4 Representatives

102. Liciana Janjua
103. Mary Jean Dones
104. Isagani H. Matibag
105. Leonisa T. Lamos
106. Yolanda C. Dagos
107. Rebecca O. Rufo
108. Marley M. Lacaran
109. Victoria M. Noble
110. Ma. Rebecca T. Bautista
111. Desiree Quinzanos
112. Josefa Coronel
113. Rosalie Cordnea
114. Michelle Remo
115. Carmelita Dela Cruz
116. Charito D. Sildora
117. Jay B. Labis
118. Nancy Delos Reyes
119. Asuncion B. Rañeses
120. Rufo A. Ocson
121. Karen A. Ner
122. Maria Catherine P. Escobio
123. Ruben T. Patitico
124. Orlando Aureada
125. Nerissa Costales
126. Ma. Cherry Madayag
127. Donna Joy L. Moico

- AlabatMultiPurpose Cooperative, Alabat, Quezon
- Alabat MultiPurpose Cooperative, Alabat, Quezon
- Ating Kooperatiba MultiPrpose Cooperative, Tagkawayan, Quezon
- Ating Kooperatiba MultiPurpose Cooperative, Tagkawayan, Quezon
- Ating Kooperatiba MultiPurpose Cooperative, Tagkawayan, Quezon
- Ating Kooperatiba MultiPurpose Cooperative, Tagkawayan, Quezon
- Ating Kooperatiba Multipurpose Cooperative, Tagkawayan, Quezon
- Ating Kooperatiba MultiPurpose Cooperative, Tagkawayan, Quezon
- Ating Kooperatiba MultiPurpose Cooperative, Tagkawayan, Quezon
- Banal na Krus MultiPurpose Cooperative, Quezon, Quezon
- Calauag St. Vincent MultiPurpose Cooperative
- Calauag St. Vincent MultiPurpose Cooperative
- Caridad Ilaya Multi-Purpose Cooperative, Atimonan, Quezon
- Caridad Ilaya Multi-Purpose Cooperative, Atimonan, Quezon
- Gumaca MSK Multi-Purpose Cooperative, Gumaca, Quezon
- GumacaMSK Multi-Purpose Cooperative, Gumaca, Quezon
- LopezVendors Development Cooperative, Lopez, Quezon
- Lopez Vendors Development Cooperative, Lopez, Quezon
- Lopez Quezon Multi-Purpose Cooperative, Lopez, Quezon
- Lopez Quezon Multi-Purpose Cooperative, Lopez, Quezon
- Lopez Quezon Multi-Purpose Cooperative, Lopez, Quezon
- Lopez Quezon Multi-Purpose Cooperative, Lopez, Quezon
- OLA Multi-Purpose Cooperative, Atimonan, Quezon
- OLA Multi-Purpose Cooperative, Atimonan, Quezon
- Sama-sama sa Kaunlaran Multi-Purpose Coop., Tagkawayan, Quezon

Other Partner's Representative

128. Rafael J. Jumawid
129. Leonora F. Canape
130. Isabel N. Landig
131. Ponciano R. Rea
132. Estela Laylay
133. Ma. Lourdes Argosino
134. Normilyn P. Javier
135. Edita Cana
136. Ma. Cristina O. Maturana
137. Agnes E. Espenocilla
138. Cyrene C. Casiño

- Kawayanan Bayanihan MultiPurpose Coop., Los Baños, Laguna
- Kawayanan Bayanihan MultiPurpose Coop., Los Baños, Laguna
- Kawayanan Bayanihan MultiPurpose Coop., Los Baños, Laguna
- Marinduque Social Action MPC-Sta. Cruz, Marinduque
- MAREMCO
- MAREMCO
- NEMCO, Pila, Laguna
- NEMCO, Pila, Laguna
- PALMFSI, Sorsogon City, Sorsogon
- PALMFSI, Sorsogon City, Sorsogon
- Sentrong Ugnayan ng Mamamayang Pilipino, Sta. Cruz, Laguna

Certified By:


ERLENE E. BARANDINO
Corporate Secretary

Minutes of the 15th Annual General Meeting of CARE MBA, Inc. held at St. Jude Coop Hotel and Event Center on May 30, 2025



ORDER OF BUSINESS

- I. Prayer
- II. Call to Order
- III. Proof of Due Notice
- IV. Roll Call and Determination of Quorum
- V. Approval of the Proposed agenda
- VI. Reading and Approval of the Minutes of 14th Annual General Meeting held last May 31, 2024
- VII. Business Arising from the Minutes of 14th Annual General Meeting
- VIII. Annual Report
 - President's Report
 - Operations Report
- IX. Treasurer's Report
- X. Election Proper
 - a. Election Guidelines and Voting System
 - b. Election of the Following Vacant Positions:
 - Regular New Board of Trustees
 - Election Committee
- XI. Committee Reports
 - Audit & Related Party Transactions
 - Board Risk and Oversight
 - Corporate Governance
 - Election
 - Remuneration
- XII. Matters for Approval and Ratification
 - Board and Management Action
 - Approval of Audit Engagement of the External Auditor
 - Approval of 2025 Plans & Priorities and Budget
- XIII. Awarding of Certificates
 - Recognition of New Partners
 - Top 3 Highest Contributor/ New Members Enrolled on Year 2024
 - Top 3 Highest Members Retention on Year 2024
 - Awarding of Certificates to Outgoing Officers
 - Employees Loyalty Award
- XIV. Open Forum
- XV. Result of Election 2025
 - Regular Board of Trustees
 - Election Committee
- XVI. Oath Taking/Induction of the Newly Elected Trustees and Election Committee
- XVII. Adjournment

Minutes of the 15th Annual General Meeting of CARE MBA, Inc. held at St. Jude Coop Hotel and Event Center on May 30, 2025



BUSINESS MEETING

I. PRAYER

A solemn audio-visual presentation was utilized for the opening prayer.

II. CALL TO ORDER

Mrs. Criselda R. Abuel, President of CARE MBA, called to order the 15th Annual General Meeting (AGM) to order at exactly 12:03 noon.

III. PROOF OF DUE NOTICE AND ROLL CALL

Mrs. Erlene E. Barandino, Corporate Secretary, reported that Notice of 15th Annual General Meeting was posted on the website of CARE MBA last April 16, 2025 and invitations together with the Minutes of the previous meeting and candidates for election 2025 were sent to partners' official e-mails on the same date.

IV. ROLL CALL AND DETERMINATION OF QUORUM

Mrs. Erlene E. Barandino, Corporate Secretary, reported that there were 44-partner cooperatives and organized groups representing 25,862 members out of 28,128 active members of CARE MBA, Inc. equivalent to 92% of total membership. Thus, the presence of quorum was determined and declared.

V. APPROVAL OF THE PROPOSED AGENDA

The participants, thru their respective partner-cooperatives and organizations, were provided in advance with the copy of the agenda.

Subject	Number of Voting Delegates	No. of Votes in Favor	No. of Votes Against	No. of Abstain Votes	No. of Absentees
Approval of Proposed Agenda	28,128	25,862	0	0	2,266

GENERAL ASSEMBLY RESOLUTION NO. 001-2025

Approval of the Agenda of the 15th Annual General Meeting

On motion of Mrs. Merly L. Detoito, active member, representing KUMARE, Inc. duly seconded by Mrs. Nerissa Costales, active member, representing OLA Multipurpose Cooperative.

RESOLVED, AS IT IS HEREBY RESOLVED, to approve the Agenda of the 15th Annual General Meeting.

RESOLVED FURTHER, that as deemed required, CARE MBA shall furnish the Insurance Commission and the Securities and Exchange Commission with a copy of this resolution together with the copy of the said Minutes for their validation.

APPROVED UNANIMOUSLY

VI. READING AND APPROVAL OF THE MINUTES OF 14th ANNUAL GENERAL MEETING HELD ON MAY 31, 2024

READING OF THE PREVIOUS MINUTES. The participants, thru their respective partner-cooperatives and organizations, were provided in advance with the copy of the Minutes of the 14th Annual General Meeting held on May 31, 2024 for advanced reading. Furthermore, the copy of the same was posted at the website of CARE MBA, Inc. on the same day after the Annual General Meeting. With the presumption that the participants have read the subject Minutes, Mrs. Russel De Ramos, active member, representing LEAF MPC moved to dispense with the reading of the said Minutes. Then, Mrs. Nhoymie Deligente, active member, representing Cagsiay 1 Multi-Purpose Cooperative, seconded the motion. There having no objections, the reading of the Minutes of the 14th Annual General Meeting held on May 31, 2024 was dispensed.

Minutes of the 15th Annual General Meeting of CARE MBA, Inc. held at St. Jude Coop Hotel and Event Center on May 30, 2025



ACTION OF THE ASSEMBLY: There having no further correction or comments raised, the Minutes of the 14th Annual General Meeting held on May 31, 2024 were approved.

Subject	Number of Voting	No. of Votes in Favor	No. of Votes Against	No. of Abstain Votes	No. of Absentees
Approval of the Minutes of 14th Annual General Meeting	28,128	25,862	0	0	2,266

GENERAL ASSEMBLY RESOLUTION NO. 002-2025

Approval of the Minutes of the 14th Annual General Meeting held on May 31, 2024

On motion of Mr. Ponciano Rea, active member, representing MASAMCO, duly seconded by Mrs. Estela Laylay, active member, representing MAREMCO.

RESOLVED, AS IT IS HEREBY RESOLVED, to approve the Minutes of the 14th Annual General Meeting held on May 31, 2024.

RESOLVED FURTHER, that as deemed required, CARE MBA shall furnish the Insurance Commission and the Securities and Exchange Commission with a copy of this resolution together with the copy of the said Minutes for their validation.

APPROVED UNANIMOUSLY

VII. BUSINESS ARISING FROM THE MINUTES OF 14th ANNUAL GENERAL MEETING

None

VIII. ANNUAL REPORT

9.1 President's Report - Mrs. Criselda R. Abuel, President of CARE MBA, Inc. presented the following items to the representatives/members as part of her President's Report:

● Performance Highlights

For the year 2024, the total number of active members of CARE MBA, Inc. reached 28,128, with 42,191 dependents insured, resulting in a total of 70,319 insured individuals. The Basic Life Insurance Plan (BLIP) generated a gross contribution of ₱17,250,376.00, an 8% increase compared to the previous year's ₱15,968,905.00. The Credit Life Insurance Plan (CLIP) premium collection significantly rose to ₱22,024,143.00, reflecting a 22% increase from last year's ₱18,089,840.00. The total number of active CLIP accounts for the year is 13,981. Meanwhile, membership in the Golden Life Insurance Plan (GLIP) increased to 268 members from 221 the previous year. As of December 2024, the total GLIP gross contribution collected amounted to ₱737,770.00, representing a 9% rise from last year's ₱674,437.00.

Claims under the Basic Life Insurance Plan (BLIP) totaled ₱2,657,500.00 for the year, comprising ₱712,500.00 in dependent claims and ₱1,945,000.00 in member claims. This reflects a 7.66% increase from the previous year's total of ₱2,468,500.00. Claims under the Credit Life Insurance Plan (CLIP) amounted to ₱3,010,893.21, broken down into ₱2,077,694.68 in cooperative claims and ₱933,198.53 in beneficiary claims. This marks a 26.06% decrease compared to last year's total claims of ₱4,072,305.90. Additionally, the number of reinsurance claims processed was 47, with a total claim amount of ₱4,400,000.00.

Lastly, there was one claim under the Golden Life Insurance Plan (GLIP) for the year, amounting to ₱40,000.00, compared to four claims totaling ₱164,000.00 in the previous year.

The equity value for the year 2024 amounted to ₱8,625,188.00, reflecting an 8.02% increase from the previous year's ₱7,984,452.00. Refunds of equity value totaled ₱2,599,715.00, slightly lower than last year's ₱2,842,136.00. As of December 2024, a total of 7,098 members resignation, 4,506 due to withdrawal of membership and 2,592 due to reaching the exit age.

● Financial Highlights

As of December 2024, the total assets of CARE MBA, Inc. stood at approximately



Minutes of the 15th Annual General Meeting of CARE MBA, Inc. held at St. Jude Coop Hotel and Event Center on May 30, 2025

₱189,367,222.00, marking an 11% increase from ₱171,309,636.00 in the previous year. Total liabilities reached ₱99,693,488.00, reflecting a slight increase of 6% compared to last year's ₱93,854,985.00. The Fund Balance rose to ₱89,673,734.00 with an increase of 16% from ₱77,454,651.00 in 2023. The association's Net Surplus significantly increased by 44%, reaching ₱12,249,344.00 from last year's ₱8,486,556.00. The Guaranty Fund also grew by 9%, totaling ₱23,566,828.00 compared to ₱21,566,214.00 from the previous year. As approved by the association's actuary, the total Reserves Valuation amounted to ₱94,971,423.00, with the following breakdown:

- ✓ Aggregate Reserves:
 - Equity Value: ₱82,735,920.00
 - Credit Life Insurance: ₱4,477,654.00
 - Golden Life Insurance: ₱2,209,666.00
 - Basic Life Insurance: ₱37,566.00
- ✓ Claims Reserves for Life Insurance: ₱1,145,753.00
- ✓ Contributions Received in Advance (BLIP): ₱4,364,863.00

● Members Benefits

Under Members' Benefits, CARE MBA, Inc. enrolled 9,757 members in good standing for the year 2024. This is an additional life insurance with ₱10,000.00 coverage at no extra cost. A total of 17 claims were filed under this benefit, amounting to ₱170,000.00. For the School Year 2024–2025, a total scholarship amount of ₱155,000.00 was granted to 18 active scholars, comprising of 14 college students, 3 senior high school students, and 1 junior high school student

Subject	Number of Voting	No. of Votes in Favor	No. of Votes Against	No. of Abstain Votes	No. of Absentees
Approval of President's Report	28,128	25,862	0	0	2,266

GENERAL ASSEMBLY RESOLUTION NO. 003-2025 Acceptance of President's Reports for the Year 2024

On motion of Mrs. Babylyn C. Amonte, active member, representing RSL Federation, duly seconded by Mrs. Graichelle Q. Ferrer, active member, representing PALCON Dairy Multi-Purpose Cooperative.

RESOLVED, AS IT IS HEREBY RESOLVED, to accept the President's Reports of CARE MBA's Performance Highlights, Financial Highlights, and Member's Benefits covering the period January 1 to December 31, 2024.

RESOLVED FURTHER, that as deemed required, CARE MBA shall furnish the Insurance Commission and the Securities and Exchange Commission with a copy of this resolution together with the copy of the President Report for the year 2024 for their validation.

APPROVED UNANIMOUSLY

9.2 OPERATIONS REPORT

A. The management presented a short video highlighting all the accomplishments and achievements of CARE MBA, Inc. for the year 2024. The representatives/members attentively watched the presentation.

B. Mrs. Pelagia C. Mendones, General Manager of CARE MBA, Inc. discussed the following major highlights of 2024 operations as follows:

2024 Operation Reports

A. Membership	
Basic Life Insurance Plan (BLIP)	<ul style="list-style-type: none"> • Membership growth of 4,348 as of December 31, 2024 • 28,128 Active members as of December 31, 2024

Minutes of the 15th Annual General Meeting of CARE MBA, Inc. held at St. Jude Coop Hotel and Event Center on May 30, 2025



Credit Life Insurance Plan (CLIP)	<ul style="list-style-type: none"> • 34,468 accounts of existing insured with total accumulate loan amount of P1.8 Billion • 33,374 total number of members from 61 cooperatives/organizations availed Credit Life Insurance
Golden Life Insurance Plan (GLIP)	<ul style="list-style-type: none"> • 250 Members enrolled in GLIP • 2 Claims for 2024 • P82,000.00 – Amount of Claims
B. Market Expansion	
	<ul style="list-style-type: none"> • Conducted orientation to new cooperatives attended by Board of Directors, committee members, and key management staff of the following cooperatives: <ol style="list-style-type: none"> 1. Calauag St. Vincent – Talisay branch 2. Talim Farmers MPC • Orientation to DSWD for Sustainable Livelihood Program in Different area: <ol style="list-style-type: none"> 1. Pitogo, Quezon 2. Polillo, Quezon 3. General Nakar, Quezon 4. Guinyangan, Quezon 5. Buenavista, Quezon 6. Lucena City 7. Lucban, Quezon
C. Compliance Report	
	<p>In compliance with the key regulatory government authority requirements. The association submitted the following on time:</p> <ul style="list-style-type: none"> • Annual Reports: <ol style="list-style-type: none"> 1. Annual Statement Report 2. Cash Inventory 3. Electronic Submission of SEGURO 4. Minutes of the Annual General Meeting 5. Biographical data, Lists of Officers and Independent Trustee Certification 6. Copy of General Information Sheet 7. Annual Corporate Governance Report (ACGR) 8. Valuation Report by the Actuary 9. Group and Conglomerate Structure 10. Material Related Party Transactions (MRPT Annex A) 11. Pay Supervision Fee
C.1 Insurance Commission (IC)	<ul style="list-style-type: none"> • Every 3 years Renew Insurance Commission License Covering January 1, 2025 – December 31, 2027 • Quarterly Reports <ol style="list-style-type: none"> 1. Enhanced Quarterly Reports on Selected Financial Statistics (EQRSFS) 2. Investment Made and Sold 3. Negative Lists of Officers and Employees 4. Material Related Party Transactions (MRPT Annex B)
C.2 Securities and Exchange Commission (SEC)	<ul style="list-style-type: none"> • Audited Financial Statements • General Information Sheet (GIS) • Minutes of the Annual General Meeting • Updated Biographical data of the newly elected officers
C.3 Bureau of Internal Revenue (BIR)	<ul style="list-style-type: none"> • Annual Reports: <ol style="list-style-type: none"> 1. 1604-E (Information Return of Creditable Income Taxes Withheld (Expanded)/ Income Payments Exempt from Withholding Tax) 2. 1604-C (Information Return of Income Taxes Withheld on Compensation) 3. 1604-F (Information Return of Income Payments Subjected to Final Withholding taxes) 4. 1702 (Annual Income Tax Return) 5. BIR 2316 (Certificate of Compensation) 6. Alpha lists • Quarterly Reports

Minutes of the 15th Annual General Meeting of CARE MBA, Inc. held at St. Jude Coop Hotel and Event Center on May 30, 2025



	<ul style="list-style-type: none"> 1601-EQ (Remittance Return of Creditable Income Taxes Withheld (Expanded)) Monthly Reports 1601-C (Remittance Return of Income Taxes Withheld on Compensation) 0619-E (Remittance Form for Creditable Income Taxes Withheld (Expanded))
C.4 Department of Labor and Employment (DOLE)	<ul style="list-style-type: none"> Disbursement of 13th Month Pay Annual Medical Report Annual Establishment Report on Wages Annual Work Accident Illness Report Employees Work Accident Illness Report (WAIR)
C.5 Anti Money Laundering Council	<ul style="list-style-type: none"> Renew AMLC Registration Update Compliance Officer
C.6 Institute of Corporate Directors (ICD)	<ul style="list-style-type: none"> Annual Corporate Governance Report (ACGR)
C. 7 Microinsurance MBA Association of the Philippines (MIMAP)	<ul style="list-style-type: none"> Annual Report <ul style="list-style-type: none"> Reserves Valuation Worksheets Quarterly Reports <ul style="list-style-type: none"> Sectoral Data Key Performance Indicator (KPI)
C. 8 Asian Actuaries, Inc. (AAI)	<ul style="list-style-type: none"> Annual Reserves Valuation Worksheets Retirement Plan for Actuarial Valuation
D. Financial Report	
Monthly Report to CARE MBA Board of Trustees	<ul style="list-style-type: none"> Financial Statement Report Operations Report Communications received Activities and programs
E. Risk Pooling	
	<ul style="list-style-type: none"> Renewed the Catastrophe Excess of Loss (CAT-XOL) Life Insurance Renewed Group Yearly Renewable Term (GYRT), as additional benefits for Members in Good Standing (MIGS) with benefit amounting to P 10,000.00 (FREE) Active Partnership to Disaster Risk Management Program with Microinsurance MBA Association of the Philippines (MI-MAP) group of MBAs. Participate in Mutual Security Fund (MSF) for Risk pooling for MBA's association of the Philippines.
F. Project/Programs Partnership	
	<ul style="list-style-type: none"> ICMIF Foundation <ul style="list-style-type: none"> Market development/ expansion CITI Foundation <ul style="list-style-type: none"> collaborating on a "FinTech for Greater Financial Inclusion Program" to enhance Mi-MBA operational efficiency and payment channels <ol style="list-style-type: none"> Disseminate message through text blast to members who provided active mobile numbers. Accomplish deadline on Fintech <ol style="list-style-type: none"> Conducted orientation/registration of more than 2,000 members Initial 200 members used the on-line payment through mobile app Trainings <ol style="list-style-type: none"> On-site training of Fintech Partnership with DSWD <ul style="list-style-type: none"> Signed MOA to cover members under Sustainable and Livelihood Program (SLP) Conduct Orientation and Training on Financial Literacy for the ff. Area: <ol style="list-style-type: none"> Pitogo SLPA Guinyangan SLPA General Nakar SLPA

Minutes of the 15th Annual General Meeting of CARE MBA, Inc. held at St. Jude Coop Hotel and Event Center on May 30, 2025



G. Local and International Linkages

	<p>International linkages:</p> <ul style="list-style-type: none"> • Asia and Oceania Association (AOA) Official delegates to attend the Study Group Visit and conference in Tokyo Japan held in May 2024 • International Cooperative and Mutual Insurance Federation (ICMIF) <p>Attended activities and monthly meetings with the following linkages:</p> <ul style="list-style-type: none"> • Lucena City Cooperative Development Council (LCCDC) • Quezon Provincial Cooperative Development Council (PCDC) • Quezon Federation and Union of Cooperatives (QFUC) • Microinsurance MBA Association of the Philippines (Mi-MAP) • RIMANSI Mutual Solutions Inc. (RMSI)
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H. Community Involvements

	<ul style="list-style-type: none"> • Coastal Clean-up drive • Fund Run – Quezon • Coop Congress Participation • Brigada Eskwela project • Participation to Provincial Cooperative month Activities
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I. Investments

	<ul style="list-style-type: none"> • Investment made to BPI-Bayanihan, approved by the Insurance Commission P10,000,000.00 investment earned <u>P1,332,952.24</u> • Mutual Security Fund P434,924.43 investment earned <u>P22,980.08</u>
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J. Other Members' Benefits

Scholarship Program	<ul style="list-style-type: none"> • Scholars for SY 2024-2025: College - 14 Senior High – 13 Junior High – 1 • <u>P155,000.00</u> total benefit given • <u>12</u> College Students under the Scholarship program graduated
Calamity Assistance	Fire Assistance – <u>P 19,000.00</u> received by <u>21 beneficiaries</u> from members and non-members of the association
GYRT for Additional Life Insurance Benefit	<ul style="list-style-type: none"> • Enrolled BLIP members in good standing total of <u>9,757</u> members <ul style="list-style-type: none"> a. Additional Life Insurance benefit for <u>Free</u> worth <u>P10,000</u> b. <u>49</u> Claimant/beneficiary c. <u>P490,000.00</u> benefit settled

Subject	Number of Voting Delegates	No. of Votes in Favor	No. of Votes Against	No. of Abstain Votes	No. of Absentees
Approval of President's Report	28,128	25,862	0	0	2,266

GENERAL ASSEMBLY RESOLUTION NO. 004-2024

Acceptance of Operations Report for the Year 2024

On motion of Mr. Rafael Jumawid, active member, representing Kawayanan Bayanihan Multi-Purpose Cooperative, duly seconded by Mrs. Jane Z. Ellaga, active member, representing PEARLS Multi-Purpose Cooperative.

RESOLVED, AS IT IS HEREBY RESOLVED, to accept the Operations Reports of CARE MBA, Inc. covering the period January 1 to December 31, 2024.

RESOLVED FURTHER, that as deemed required, CARE MBA shall furnish the Insurance Commission and the Securities and Exchange Commission with a copy of this resolution together with the copy of the Operations Report for the year 2024 for their validation.

APPROVED UNANIMOUSLY

Minutes of the 15th Annual General Meeting of CARE MBA, Inc. held at St. Jude Coop Hotel and Event Center on May 30, 2025



XI. TREASURER'S REPORTS

Mrs. Criselda R. Abuel, President called Mr. Perseverando C. Fajardo, Treasurer, to present to the representatives/members the Audited Financial Statement and Income Statement of CARE MBAI as of December 2024, as follows:

	2024	2023
Total Assets	P 189,367,222.00	P 171,309,636.00
Total Liabilities	P 99,693,488.00	P 93,854,985.00
Total Fund Balance	P 89,673,734.00	P 77,454,651.00
Reserves for Members Equity	P 82,735,920.00	P 76,339,163.00
Reserves for Credit Life	P 4,477,654.00	P 4,837,734.00
Reserves for Basic Life	P 37,566.00	P 168,349.00
Reserves for Golden Life	P 2,209,667.00	P 1,533,104.00
Liquidity Ratio	807%	705%
Solvency Ratio	165%	153%
Total Revenue	P40,834,261.00	P35,574,954.00
Net Surplus for the Year	P10,581,518.00	P7,192,788.00
Total Comprehensive Income for the Year	P12,249,344.00	P8,486,556.00
Net Surplus Margin	31%	24%
Return on Assets	13%	10%
Risk Based Capital	919.38%	1085%

Subject	Number of Voting	No. of Votes in Favor	No. of Votes Against	No. of Abstain Votes	No. of Absentees
Approval of Treasurer's Report	28,128	25,862	0	0	2,266

ACTION OF THE ASSEMBLY: The Assembly approved the Treasurer's Report.

GENERAL ASSEMBLY RESOLUTION NO. 005-2025

Acceptance of Treasurer's Report for the Year 2024

On motion of Ms. Normilyn P. Javier, active member, representing NEMCO seconded by Mrs. Amparo A. Lagrosas, active member, representing Tayabas Community Multi-Purpose Cooperative.

RESOLVED, AS IT IS HEREBY RESOLVED, to accept the Treasurer's Report for the year 2023 as presented during the Annual General Meeting.

RESOLVED FURTHER, that as deemed required, CARE MBAI shall furnish the Insurance Commission and the Securities and Exchange Commission a copy of this resolution together with the copy of the said Treasurer's Report for their validation.

APPROVED UNANIMOUSLY



Minutes of the 15th Annual General Meeting of CARE MBA, Inc. held at St. Jude Coop Hotel and Event Center on May 30, 2025

X. ELECTION PROPER 2025

Mr. Sedfrey R. Potestades, Chairperson of the Election Committee explained the election rules and guidelines, as follows:

A. CARE MBAI ELECTION GUIDELINES AND VOTING SYSTEM

Board of Trustee Composition- shall consist of seven (7) members, as follows:

- Five (5) regular trustees and
- Two (2) independent trustees

Election Committee- shall be composed of at least three (3) members duly elected by members in good standing of CARE MBA, INC.

Term of Office

- Shall serve for two (2) years immediately after being elected

Qualified partnersto send candidates

- Must be an active partner of CARE MBAI;
- Must have at least 500 and above members enrolled in our primary products, which is BLIP.

Qualifications of Candidates

- Members in good standing who meet the qualifications in Section 5 of the Election Guidelines;
- Member for at least one (1) year before or at the time of election;
- Must be updated in payment of his obligations to the CARE MBA at the time of filing of candidacy;
- Must not have any conflicting interest.
- Other prohibitive provisions imposed by Insurance Commission (IC).

OUTGOING OFFICERS:

Board of Trustees	Election Committee
Mrs. Criselda R. Abuel	Engr. Sonia J. Mayuga
Mr. Lucilo G. Jimenez	

Google Form Application: How to Participate?

- Receive the link to vote
- Click the link to vote
- Fill-up the Google Form App to vote
- Submit your vote
- The voting results will be automatically processed by the app and shown on screen
- The voting results will be saved to an excel file for reference and for the Election Committee's validation and documentation
- A screenshot of the voting results will be done to show on the screen

Election of Board of Trustees and Election Committee

There having no further questions on the Guidelines, Mr. Sedfrey R. Potestades, Chairperson of Election Committee proceeded with the presentation of the candidates for Board of Trustees and Election Committee, as follows:

Board of Trustees

Name of Candidates	Partner Cooperative/Organization
1. Mr. Isagani H. Matibag	Ating Kooperatiba Multi-Purpose Cooperative
2. Mr. Lucilo G. Jimenez	Lopez Quezon Multi-Purpose Cooperative

Election Committee

Name of Candidates	Partner Cooperative/Organization
1. Engr. Renato L. Obeña	St. Jude Multi-Purpose Cooperative

Minutes of the 15th Annual General Meeting of CARE MBA, Inc. held at St. Jude Coop Hotel and Event Center on May 30, 2025



XI. COMMITTEE REPORTS

President Abuel, called the Chairperson of each Committee to present their respective Committee Reports, as follows:

11.1 Audit and Related Party Transactions Committee

Chairperson: Mr. Gaudioso A. Lavadia - Independent Trustee

Members: Mr. Lucilo G. Jimenez, Mrs. Paz L. Bobadilla, CPA, Mr. Dominador S. Tamayo, CPA and Mrs. Melody L. Bringel

Mandate

The Audit Committee provides independent assurance service to the Board and Management of CARE MBA, Inc. The Committee establishes internal control/review policies and procedure/develop risk assessment and audit plan.

The Related Party Transaction Committee is authorized by the Board to consider, review, evaluate and provide oversight in relation to any Related Party Transactions upon becoming aware of or being referred such transactions or proposed transactions of CARE MBA, Inc.

Meetings Held

The committee convened three (3) meetings and discussed the following:

Key Agenda	Key Resolutions & Recommendations
Terms of Reference	Terms of Reference was discussed, analyzed and approved by the Committee. This will be their guide to effectively fulfill their role as members of the Audit and Related Party Transactions Committee.
2024 Assessment and 2025 Work Plan	The committee reviewed the 2024 assessment and the 2025 work plan as presented by management. The secretariat duly recorded the recommendations and suggestions provided during the meeting. The work plan will be used as guide to achieve the targets set by year 2025.
Presentation of Audited Financial Statement	The Committee confirmed and accepted the Audited Financial Statement for the year 2023, as presented by the External Auditor. Minor findings were noted and addressed
2025 Budget	The Committee conducted a thorough review and analysis of the proposed 2025 budget. During the session, minor suggestions and recommendations were raised. These points were duly noted by the secretariat and the 2025 budget was approved by the
Appointment of External Auditor	The Committee also evaluated the audit engagement with the external auditing firm, Quilab and Garsuta CPAs. After careful consideration, the Committee recommended retaining Quilab and Garsuta CPAs for the year 2025 audit engagement. The committee approved the audit proposal of Quilab and Garsuta CPAs, as follows: <ul style="list-style-type: none"> • Professional Fees – P85,000.00 • Out of pocket expenses – <ul style="list-style-type: none"> a. Food Expenses b. Lodging Expenses c. Transportation d. Per Diem e. Report Reproduction f. Other Costs • Proposed Timetables <ul style="list-style-type: none"> a. Planning Visit-As soon as engagement is approved b. Start of Year-end filed works-Between Feb. 01 to Mar. 31, 2025 c. Finalization of audit results-On or before March 31, 2025 or earlier d. Submission of AFS-On or before April 15, 2025

Related Party Transactions:

Review of all Material Related Party Transactions	The Committee reviewed all Material Related Party Transactions (RPTs) between CARE MBA, Inc. and its related parties to assess and examine every transactions, are transparent and in compliance with regulatory requirements.
Building Construction and Improvement	The Committee approved the proposed building construction and improvements for office use, the construction shall proceed on a

Minutes of the 15th Annual General Meeting of CARE MBA, Inc. held at St. Jude Coop Hotel and Event Center on May 30, 2025



Key Agenda	Key Resolutions & Recommendations
	phased basis, with each phase properly specified and approved by the Building Committee.

11.2 Board Risk and Oversight Committee

Chairperson: Mr. Gaudioso A. Lavadia - Independent Trustee

Members: Mrs. Criselda R. Abuel, Atty. Joycee M. Sio, Mr. Perseverando C. Fajardo and Mr. Armiel A.

Mandate

The Board Risk Oversight Committee is responsible for defining CARE MBA's level of risk tolerance and providing oversight over its risk management policies and procedures to anticipate, minimize, control or manage risks or possible threats to the Association's operational and financial viability.

Meetings Held

The committee convened four (4) meetings and discussed the following:

Key Agenda	Key Resolutions & Recommendations
Terms of Reference	Terms of Reference was discussed, analyzed and approved by the Committee. This will be their guide to effectively fulfill their role as members of the Board Risk Oversight Committee.
Vulnerability Data Collection	The Committee reviewed and provided recommendations and suggestions to the Anti-Money Laundering Council regarding the National Risk Assessment IC Data/Information Collection (AML/CTF Questionnaire) for the mutual benefit of the association.
AML Compliance Officer	The Committee recommended the following individuals to serve as the AML Compliance Officer: <ul style="list-style-type: none"> Ma. Lourdes E. Qusea-Compliance Officer Gilda R. Babasa-Alternate Compliance Officer
Data Protection Officer	The Committee recommended the following individuals to serve as the Data Protection Officer: <ul style="list-style-type: none"> Graemarc Lester L. Alzaga-Data Protection Officer Marianne C. Castro-Alternate Data Protection Officer
Risk Assessment	The Committee thoroughly reviewed and discussed the association's Risk Registry to ensure its alignment with the association's governance and identify strategies for mitigating risks. Recommendations and suggestions were duly noted by the Secretariat.
Risk Registry for year 2025	The Committee has identified key risks for the year 2025, along with corresponding strategies and action plans to address them. The Board Risk Oversight Committee has agreed to actively monitor these risks and take immediate action to mitigate them as necessary.
Board Performance Evaluation	To assess the performance of the Board of Trustees, an annual Board Performance Evaluation is required. The Committee reviewed the results of this evaluation, identifying both the strengths and areas for improvement for each trustee. Based on these findings, strategies will be implemented to enhance their duties and overall performance.
Theme for 15th Annual General Meeting	The Board Risk Oversight Committee has identified three proposed themes for the upcoming 15th Annual General Meeting, scheduled for May 30, 2025. The proposed themes are as follows: <ul style="list-style-type: none"> Partnership for Progress through Microinsurance Stronger Together: Building an Inclusive Future through Microinsurance Building Stronger Partnerships through Microinsurance <p>The Board of Trustees will vote on these themes via a poll in their designated group chat. The results of the vote will be announced at the first regular meeting in January 2025.</p>

11.3 Corporate Governance Committee

Chairperson: Mrs. Mary Juliet D. R. Labitigan - Independent Trustee

Members: Atty. Joycee M. Sio, Mr. Armiel A. Azul, Mrs. Erlene E. Barandino and Mr. Sedfrey R. Potestades,

Minutes of the 15th Annual General Meeting of CARE MBA, Inc. held at St. Jude Coop Hotel and Event Center on May 30, 2025



Mandate

The Corporate Governance Committee provide oversight on all matters connected with Board policies concerning Trustees nomination, training and performance evaluation. Moreover, the Committee oversees the policy guidelines for the Association’s membership, ensuring compliance with government’s requirements, regulations and good corporate governance and smooth functioning of the association.

Meetings Held

The committee convened four (4) meetings and discussed the following:

Key Agenda	Key Resolutions & Recommendations
Terms of Reference	Terms of Reference was discussed, analyzed and approved by the Committee. This will be their guide to effectively fulfill their role as members of the Corporate Governance Committee.
Addressed the Frequently Asked Questions	In order to have a same answer to frequently asked questions of partners and members, the committee unanimously approved the appropriate answers to the following questions: <ul style="list-style-type: none"> • Claim by dependent • Official Beneficiary • Basic Life Insurance Plan as Primary Product • Presumption of Death (depending on circumstances) • Inactive members for more than three (3) years • Advanced Payment of Basic Life • Multiple membership
Review and Revision of Policy on Calamity Assistance	The committee reviewed the Policy on Calamity Assistance and suggested further enhancement and revision for the benefits of our members.
Revisited and Reviewed Various Policies	As part of the committee’s mandate to promote transparency, accountability and honest decision-making, various policies were revisited and reviewed if they are still align with the association’s good corporate governance. Some of the policies reviewed are as follows: <ul style="list-style-type: none"> • Board Diversity Policy • Anti-Corruption Policy • Videoconferencing Policy
ACGR Result 2023	The Annual Corporate Governance Scorecard was evaluated by the Committee, strong and weak points were noted. The committee agreed to work closer to improve the score of the association for next year’s assessment in order to attain at least one golden arrow in the future.
Performance Evaluation	To measure the level of leadership of the Board of Trustees and relevant Committees, the CGC, confirmed the questionnaires for the performance evaluation of the aforementioned for year 2024.

11.4 Election Committee

Chairperson: Mr. Sedfrey R. Potestades Vice-Chairperson: Engr. Sonia J. Mayuga Secretary: Mrs. Edenel F. Vasquez

Mandate

The Election Committee is composed of at least three (3) members elected during the Annual General Meeting, possessing all the qualifications and none of the disqualifications for the members of the Board of Trustees. They review and evaluate the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board of Trustees. The Election Committee is hereby-vested sole authority to conduct and supervise the elections for the members of the Board of Trustees and other officers and proclaim the winners that were canvassed by the Internal Auditor of the association.

Meetings Held

The committee convened three (3) meetings and discussed the following:

**Minutes of the 15th Annual General Meeting of CARE MBA, Inc.
held at St. Jude Coop Hotel and Event Center on May 30, 2025**



Key Agenda	Key Resolutions & Recommendations
Organizational Meeting	The Election Committee facilitated the organizational meeting to create the new set of officers of the Board of Trustees last May 31, 2024
Revisited the Election Guidelines	To reinforce understanding and consistency of the Election Guidelines, the Committee reviewed the election rules, policies and processes to uphold the principle of fair and honest decision-making.
Recapitulation of Board of Trustees' Term	The Committee recap the Board of Trustees, Independent Trustees and Election Committees' term of office from the start to present year and determined the vacant positions for Election 2025 as follows: <ul style="list-style-type: none"> • Two (2) Board of Trustees • One (1) Election Committee
Election 2025	<ul style="list-style-type: none"> • The Committee identified the qualified partners to send candidates for Board of Trustees and Election Committee. • Assigning duties and responsibilities of the committee members during Annual General Meeting • Preparation of finalized proxy votes for actual canvassing • during AGM
Presentation of schedule and timeline of activities	The committee reviewed and approved the proposed timeline and key milestones of activities for election 2025. This includes finalization of Notice of Election and candidates, visitation of election materials and setting deadlines of applications for candidates.

11.5 Remuneration Committee

Chairperson: Criselda R. Abuel

Members: Paz L, Bobadilla, Mrs. Erlene E. Barandino, Mrs. Melody L. Bringel

Mandate

The Remuneration Committee judge or make plans where to position the company relative to other companies. They delegate responsibilities for setting up remuneration for all executive officers and staff. They also recommend and monitor the level and structure of salaries including remunerations for senior management. They serve as the human resource department of the association.

Meetings Held

The committee convened four (4) meetings and discussed the following:

Key Agenda	Key Resolutions & Recommendations
Resignation of the Compliance Officer	The Committee has reviewed and approved the resignation of Maria Victoria A. Abrigo, the Compliance Officer, who has resigned due to health reasons. As Ms. Abrigo is a pioneer employee of the company and has dedicated fifteen years of service, the Committee has recommended granting her a gratuity pay in recognition of her significant contributions.
Commitment of Trustees	The Committee suggested to have a written commitment upon filing of application as Trustee of CARE MBA, so once they were elected, trustees will abide by all the requirements and responsibilities.
Hiring of New Staff	In view of the retirement of Ms. Maria Victoria A. Abrigo, CARE MBA Inc. the committee suggested to hire a new employee. The ideal candidate should preferably be a graduate of accountancy or an accounting-related course.
Retirement Policy	In light of the sudden resignation of the Compliance Officer, the Committee has directed the management to develop a clear retirement policy. This policy will be implemented to ensure consistency and clarity in the retirement process for employees, and to support effective succession planning.
Policy on International Travel	The Committee has approved the granting of travel privileges to both employees and trustees, to recognize the importance of providing opportunities for skill development and enhancing their

**Minutes of the 15th Annual General Meeting of CARE MBA, Inc.
held at St. Jude Coop Hotel and Event Center on May 30, 2025**



Key Agenda	Key Resolutions & Recommendations
Policy on International Travel	<p>Qualifications for Travel Privileges:</p> <ul style="list-style-type: none"> • Employees: Must have at least five (5) years of service from their regularization date and have maintained a satisfactory performance for the last three (3) years. • Trustees: Those who have completed three consecutive full terms or 6 years of service, regardless of whether they are regular or independent trustees. <p>These travel privileges are granted to further develop the skills and capabilities of both employees and trustees, ensuring continued growth and success within the association.</p>
Surety Bond	The committee approved the suggestion of the management to renew the Surety Bond coverage for selected trustees and employees as a necessary requirement for the renewal of CARE MBA's license with the Insurance Commission.
DOLE Wage order IVA-21	In line with the publication of the DOLE Wage Order dated September 14, 2024, which outlines the new minimum wage rates for Region IVA-21, the management has informed the committee that the new wage rates will take effect on September 29, 2024. The committee recommends updating the salary scale matrix for employees, aligning it with DOLE Wage Order #IVA-
Renewal to PHILCARE HMO	<p>The committee has recommended to explore other health care providers due to a significant 66% increase in premiums of Philcare, due to high utilization report. The committee also suggested establishing a dedicated fund for employee's healthcare. This fund could be used to reimburse employees medical treatments and medications.</p> <p>However, considering the near expiration of HMO contract, the committee has decided to renew the Philcare health card for the term 2024-2025, to give more time to explore and evaluate other options.</p>

Subject	Number of Voting Delegates	No. of Votes in Favor	No. of Votes Against	No. of Abstain Votes	No. of Absentees
Approval of Committee Reports	28,128	25,862	0	0	2,266

ACTION OF THE ASSEMBLY: The Assembly approved the Committee Reports.

GENERAL ASSEMBLY RESOLUTION NO. 006-2025
Acceptance of Committee Reports for the Year 2025

On motion of Mr. Elizalde H. Veluya, active member, representing Lucban District Teachers Multipurpose Cooperative, seconded by Mrs. Marilyn Decena, active member, representing Koopnaman Multipurpose Cooperative.

RESOLVED, AS IT IS HEREBY RESOLVED, to accept the Committee Reports for the year 2024 as presented during the Annual General Meeting.

RESOLVED FURTHER, that as deemed required, CARE MBA shall furnish the Insurance Commission and the Securities and Exchange Commission a copy of this resolution together with the copy of the said Committee Reports for their validation.

APPROVED UNANIMOUSLY

XII. MATTERS FOR APPROVAL AND RATIFICATION



1. **Board and Management Action** - Mrs. Criselda R. Abuel, President reported the summary of Board and Management Actions for year 2024 as follows:

Summary of Board Resolutions:

Meeting Date	Resolution Number	Title
Jan. 26, 2024	001-2024	CARE MBA 14th Annual General Meeting
	002-2024	Authorized Person to Authenticate IC Documents
	003-2024	A Resolution to Authorize the Investment in LBP Green Growth
Feb. 23, 2024	004-2024	CARE MBAI Visita Iglesia 2024
	005-2024	Professional Fee of Mrs. Panganiban re: Preparation of Financial Statement to Ensure Completeness of all Reports Needed during Audit Season
	006-2024	CARE MBAI Delegates to AOA Study Visit 2024 in Tokyo, Japan
	007-2024	Official Delegates of CARE MBAI to MiMAP 19th Annual General Assembly
	008-2024	Confirmation of Salary Adjustments of Mr. Brein Symon P. Diala and Ms. Reinnie Rose P. Torres effective January 1, 2024
	009-2024	Representation Allowance of the Operations Officer
	010-2024	Approval of CARE MBAI Budget 2024
	011-2024	Approval of MIS Policies
Mar. 25, 2024	012-2024	Annual General Meeting 2024 and 15th Foundation Anniversary Celebration of CARE MBA, Inc.
	013-2024	Additional Delegates to the AOA International Tour 2024
	014-2024	Revisit on the Policy on International Travel
Apr. 26, 2024	015-2024	Recommendation of Audit Committee to Enter Audit Engagement with Quilab & Garsuta, CPAs, as External Auditor for the Conduct of the Financial Statements 2024
	016-2024	Approval of Sponsorship for Publication of the National Microinsurance Forum 2024
	017-2024	Approval of Budget for CARE MBA Annual General Meeting 2024 and 15th Foundation Anniversary Celebration
May 24, 2024	018-2024	Approval of CARE MBA Updated Pay Scale for Employees
	019-2024	Investment in Government Securities thru PNB- Lucena Branch
May 31, 2024	020-2024	The Board of Trustees for the Term 2024-2025
	021-2024	Approval of the Re-appointment of Erlene E. Barandino as Corporate Secretary for the Term 2024-2025
Jun 28, 2024	022-2024	Signatories in the Bank Accounts of CARE MBAI
	023-2024	Working Committees for the Term 2024-2025
	024-2024	Investment in Megawide thru PNB- Lucena Branch
	025-2024	Additional Investment in Government Securities thru PNB- Lucena Branch



Meeting Date	Resolution Number	Title
Jul 26, 2024	026-2024	Delegates to STARCDC in Antipolo City
	027-2024	Delegates to MiMAP Management Forum in Caoyan, Ilocos Sur
	028-2024	A Resolution Granting Gratuity Pay to Ms. Maria Victoria A. Abrigo for Services Rendered to CARE MBA, Inc.
	029-2024	A Resolution to Confirm the Practices of CARE MBA Regarding Claims
Aug. 22, 2024	030-2024	CARE MBAI Retirement Policy Revised as of August 22, 2024
	031-2024	CARE MBAI Policy on International Travel Updated as of August 22, 2024
	032-2024	Renewal of Free Insurance Products as Members Benefits
	033-2024	Free Insurance to Coordinators
	034-2024	Free Insurance to Members in Good Standing
Sept. 26, 2024	035-2024	Designation of AML Compliance Officer and AML Alternate Compliance Officer
	036-2024	Designation of Data Protection Officer
	037-2024	Building Construction and Improvement for Office Use
Oct. 24, 2024	038-2024	Anti-Corruption Policy
	039-2024	Videoconferencing Policy
	040-2024	Approval of CARE MBA Work Plan for Year 2025
	041-2024	Approval of CARE MBA Budget for Year 2025
	042-2024	Approval of Audit Engagement with Quilab & Garsuta, CPAs as External Auditor for 2024
Nov. 29, 2024	043-2024	Approval of Investments
	044-2024	Approval of Cash Gift to the Management Staff
Dec. 23, 2024	045-2025	Accepting the IC Verification Report of the Association's 2023 Annual Statement
	046-2026	Action taken on IC Verification of the 2023 Annual Statement Re: Findings and Requirements

Subject	Number of Voting Delegates	No. of Votes in Favor	No. of Votes Against	No. of Abstain Votes	No. of Absentees
Approval of Board and Management Action	28,128	25,862	0	0	2,266

Minutes of the 15th Annual General Meeting of CARE MBA, Inc. held at St. Jude Coop Hotel and Event Center on May 30, 2025



ACTION OF THE ASSEMBLY: The Assembly approved the Board and Management Actions for year 2024

GENERAL ASSEMBLY RESOLUTION NO. 007-2025

Approval of the Board and Management Actions for year 2024

On motion of Mrs. Realissa E. Garay, active member, representing RHUDARDA Multi-Purpose Cooperative, seconded by Dr. Felipe Merano, active member, representing AEC Multi-Purpose Cooperative.

RESOLVED, AS IT IS HEREBY RESOLVED, to approve the Board and Management Actions for year 2024.

RESOLVED FURTHER, to approve the Board and Management Actions covering the period January 01 to December 31, 2024.

RESOLVED FINALLY, that as deemed required, CARE MBA shall furnish the Insurance Commission and the Securities and Exchange Commission with a copy of this resolution together with the copy of Board and Management Actions covering the period January 01 to December 31, 2024 for their validation.

APPROVED UNANIMOUSLY

2. Approval of Audit Engagement of the External Auditor:

President Abuel, called on Mr. Gaudioso A. Lavadia, Independent Trustee, to present the Audit Committee's recommendation regarding external audit and audited financial reports of CARE MBA. Mr. Lavadia, reported that the Committee' recommendation is to again enter into Audit Engagement with Quilab and Garsuta, CPA's (Q&G, CPA's) for the conduct of external audit and preparation of the audited financial report of CARE MBA for the year 2025 for a fee of P85,000.00, excluding of out-of-pocket expenses, which is reasonable enough and commensurate to the services they will render as follows.

- Auditor's Report for the Audited Financial Statement
- Assist in Filing of Income Tax Return to Bureau of Internal Revenue
- Preparation of Comments and Recommendations for the Association
- Filing Assistance of Audited Financial Report to
 - a. Securities and Exchange Commission (SEC)
 - b. Insurance Commission (IC)
- Consultations with Management on Administrative and Financial Matters

Quilab and Garsuta CPAs did not performed any non-audit services for CARE MBA, Inc. and no non-audit fees were paid. Other reasons for recommending Quilab & Garsuta, CPA's are as follows: they are accredited by the Insurance Commission (IC) and they are able to submit pertinent reports to Insurance Commission and the Securities and Exchange Commission on time.

Subject	Number of Voting Delegates	No. of Votes in Favor	No. of Votes Against	No. of Abstain Votes	No. of Absentees
Approval of Audit Engagement of the External Auditor	28,128	25,862	0	0	2,266

ACTION OF THE ASSEMBLY: The Assembly resolved to enter into Audit Engagement with Quilab & Garsuta, CPA's as recommended by the Audit Committee.

GENERAL ASSEMBLY RESOLUTION NO. 008-2025

Approval of the Audit Engagement with Quilab and Garsuta CPAs

On motion of Mrs. Cyrene C. Casino, active member, representing SUMAPI Multi-Purpose Cooperative, seconded by Mrs. Agnes E. Espenocilla, active member, representing PALMFSI.

RESOLVED, AS IT IS HEREBY RESOLVED, to approve the Audit Engagement with Quilab and Garsuta CPAs as presented during the Annual General Meeting.

RESOLVED FINALLY, that as deemed required, CARE MBA shall furnish the Insurance Commission and the Securities and Exchange Commission a copy of this resolution together with a copy of the said Audit Engagement with Quilab and Garsuta, CPA's for their validation.

APPROVED UNANIMOUSLY

Minutes of the 15th Annual General Meeting of CARE MBA, Inc. held at St. Jude Coop Hotel and Event Center on May 30, 2025



3. A. 2025 Plans and Priorities

Key Result Area	Target Based on Five-Year Development Plan	Strategies
A. Membership Growth		
A.1 Membership Increase		
A.1.1 BASIC LIFE INSURANCE PLAN		
NEW MEMBERS 29,453 - 2024 baseline	<ul style="list-style-type: none"> Increase 15% base on previous year 4,384 New Members for the year 2025 	<ul style="list-style-type: none"> Assign specific target members based on their membership to partner cooperative. Introduce CARE MBA as Coop Family with living benefits Give high benefits (Re-insurance) Training per district Explained the interest earned on equity value to partners/members
RETENTION 24,151 - 2023 baseline	<ul style="list-style-type: none"> Target 87% or increase of 2% per year 	<ul style="list-style-type: none"> Implementation of Reinstatement Policy Promote Retention Program and increase participation rate
A.1.2 CREDIT LIFE INSURANCE PLAN		
Average of 14M CLIP contribution per year 2024 baseline	<ul style="list-style-type: none"> 17M gross contribution 	<ul style="list-style-type: none"> Partners to mobilize the trained coordinators for CLIP Maintain Fast and Easy Claim Maintain partnership and Camaraderie
A.1.3 GOLDEN LIFE INSURANCE PLAN		
214 2023 baseline	<ul style="list-style-type: none"> Additional 50 new members or 314 for 2025 	<ul style="list-style-type: none"> Continuous promotion and dissemination of Golden life Monitoring of Qualified Members
B. AREA COVERAGE		
PARTNERSHIP AND LINKAGES		
B.1 Cooperative Partners 78-baseline	<ul style="list-style-type: none"> Additional 5 new partners 87 partners 	<ul style="list-style-type: none"> Seize area in QUEZON Province that are not yet partners
B.2 Number of Provinces: 5 (Quezon, Marinduque, Rizal, Laguna & Sorsogon)	<ul style="list-style-type: none"> Additional 1 province 	<ul style="list-style-type: none"> Attend Networking Activities within Southern Luzon
C. POLICY AND PRODUCT		
C.1 Review, Create and Enhance	Additional 5 Policy (enhanced, review and created)	<ul style="list-style-type: none"> Monitoring of existing policies Coordinate with different committees for review and created policy
D. EFFICIENCY OF OPERATIONS		
D. 1 Digitization of Collection, Payment and Processing of Claims	40% of Collection	<ul style="list-style-type: none"> Accept online payment Subscribe to TEXT Blast Educate partners about digitization
D. 2 MIS (Completion of data base by 2028)	70% of Data	<ul style="list-style-type: none"> Data Capturing for selected cooperatives Field visit and monitoring

D. 3 IFRS 17	Study IFRS 17	<ul style="list-style-type: none"> Attend training and seminars about IFRS 17
E. COMMUNITY DEVELOPMENT PROGRAMS		
E.1 Scholarship Program	<ul style="list-style-type: none"> Total of 21 scholars 	<ul style="list-style-type: none"> A lot number of scholars on selected partners Select qualified MIGS members
E.2 Calamity Assistance	<ul style="list-style-type: none"> P200,000.00 budget 	
E.3 Catastrophic Insurance Php 21,000	<ul style="list-style-type: none"> Total of 21 scholars 	<ul style="list-style-type: none"> Subscribed to Catastrophic Insurance <i>NATRE</i>
E.4 Fire Assistance 2 claims	<ul style="list-style-type: none"> Payment of 21,000 pesos for Catastrophic Insurance 	
E.5 Additional Insurance Coverage 9,757 – 2024 baseline	<ul style="list-style-type: none"> Enroll 12,500 MIGS members 	<ul style="list-style-type: none"> Automatic Enrollment of MIGS Give list of enrolled members to Partner Coop
E.6 Sustainable Community Project in Collaboration with Partners	<ul style="list-style-type: none"> 7 activities <ul style="list-style-type: none"> * <i>Tree planting</i> * <i>Feeding program</i> * <i>Dental mission</i> 	<ul style="list-style-type: none"> Collaborate on Top 10 performing partners on community projects
F. Human Resource Development for Staff and Members		
F.1 Trainings, Seminars and Workshops for Coop Coordinators	<ul style="list-style-type: none"> 60 trainings and Seminars 	<ul style="list-style-type: none"> Tie Up with QFUC Give training and Orientation by District
F.2.1 New Staff	Attend IC Mandatory Training	<ul style="list-style-type: none"> Coordinate with MIMAP
F.2.2 Advanced Training for Senior Staff	Attend IC Mandatory Training	<ul style="list-style-type: none"> Coordinate with MIMAP
F.2.3 Governance and AMLA Workshop for New Board of Trustees and Officers	Attend GAW and AMLA Training	<ul style="list-style-type: none"> Coordinate with MIMAP
F.2.4 Conferences Local and Abroad (2 attendees)	Attend 2 participants for AOA / ICMIF	<ul style="list-style-type: none"> Invitation form AOA / ICMIF
F.2.5 Lakbay-Aral Local and Abroad	1 Lakbay-Aral for 2025	<ul style="list-style-type: none"> Coordinate with local and overseas linkages
F.3 CREATION OF MARKETING AND TRAINING FACILITY		
F.3.1 Construction of New Training Facility	<ul style="list-style-type: none"> Start construction January 2025 	<ul style="list-style-type: none"> Funded 20% from Fund Balance 13M is 20% of 63.5M – Fund Balance
F.3.2 Renovation of Existing Building	<ul style="list-style-type: none"> Start of renovation Jan. 2025 	<ul style="list-style-type: none"> Funded 20% from Fund Balance
	<ul style="list-style-type: none"> Purchase of new vehicle-van 	

Plans and Priorities for 2025 Based on Five-Year-Development Plan

- Increase membership by 15%
- Maintain members retention by 85%
- Encourage members that will exit age to enroll in Golden Life Insurance Plan
- Motivate all partner cooperatives to patronize Credit Life Insurance Plan and strictly comply with all the requirements on re-insurance
- Expand partnership in other provinces especially in CALABARZON
- To have five new cooperative partners
- Updating of members' data
 - Birthday
 - Gender
 - Contact Number
 - Beneficiary
 - Dependent
- Implementation of mobile app
- Enhance appropriate trainings/seminars for management staff, officers and board of trustees
- Strengthen linkages/seminars for both local, national and international networks
- Start of office improvements and building construction

**Minutes of the 15th Annual General Meeting of CARE MBA, Inc.
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B. 2025 Budget

Financial Projection and Budget 2025

Particulars		Budget	
1	Projected Collections	Members' Contributions- BLIP	19,563,540.00
		Members' Contributions- CLIP	22,800,000.00
		Members' Contributions- GLIP	792,000.00
		Membership Fee	724,500.00
		Reinsurance Income	1,100,000.00
		Interest & Investment Income	4,200,000.00
		TOTAL	P 49,180,040.00
2	Aggregate Reserves for Members Benefits	Member's Equity	6,781,770.00
		Claims Fund-BLIP	2,689,062.00
		Claims Fund-CLIP	187,600.00
		Claims Fund-GLIP	3,840,000.00
			13,498,432.00
		NET CONTRIBUTIONS	P 35, 681,608.00
LESS:			
3	Projected Budget for Regular Operations		
	3.1 Claims Benefit Expenses:		
		BLIP	5,880,000.00
		CLIP	4,800,000.00
		GLIP	100,000.00
	3.2 Reinsurance Expense and Collection Fees		8,820,813.00
	3.3 General and Admin Expenses		8,759,797.54
			28,360,610.54
		NET SURPLUS	<u>P 7,320,997.46</u>

Subject	Number of Voting Delegates	No. of Votes in Favor	No. of Votes Against	No. of Abstain Votes	No. of Absentees
Approval of 2024 Plans and	28,128	25,862	0	0	2,266

Minutes of the 15th Annual General Meeting of CARE MBA, Inc. held at St. Jude Coop Hotel and Event Center on May 30, 2025



ACTION OF THE ASSEMBLY: There having further corrections and comments raised, the CARE MBA, Inc. 2025 Plans and Priorities and Budget were approved.

GENERAL ASSEMBLY RESOLUTION NO. 009-2025 Approval of 2025 Plans and Priorities and Budget

On motion of Mr. Jorge R. Alibio, active member, representing San Luis Development Cooperative, duly seconded by Mr. Isagani H. Matibag, active member, representing Ating Kooperatiba Multi-Purpose Cooperative.

RESOLVED, AS IT IS HEREBY RESOLVED, to approve the 2025 Plans and Priorities and Budget

RESOLVED FURTHER, that as deemed required, CAREMBAI shall furnish the Insurance Commission and the Securities and Exchange Commission with a copy of this resolution together with the copy of the said 2025 Plans and Priorities and Budget for their validation.

XIII. Awarding of Certificates

Recognition and Presentation of New Partners

- Calauag St. Vincent Multi-Purpose Cooperative-Talisay, Batangas
- Talim Farmers Multi-Purpose Cooperative
- Sustainable Livelihood Program-Buenavista, Quezon
- Sustainable Livelihood Program-Guinayangan, Quezon
- Sustainable Livelihood Program-Gen. Nakar, Quezon
- Sustainable Livelihood Program-Pitogo, Quezon
- Sustainable Livelihood Program-Polillo, Quezon

Recognition of Top 3 Highest Contributor of New Members Enrolled in 2024

- **Rank 3** – St. Jude Multi-purpose Cooperative
- **Rank 2** – KUMARE, Inc.
- **Rank 1** – RHUDARDA Multi-purpose Cooperative

Recognition of Top 3 Highest Members Retention

- **Rank 3** – Lopez Quezon Multi-purpose Cooperative
- **Rank 2** – RHUDARDA Multi-purpose Cooperative
- **Rank 1** – PEARLS Multi-purpose Cooperative

Awarding of Certificates to Outgoing Officers

- Mrs. Criselda R. Abuel – President, Board of Trustees
- Engr. Sonia J. Mayuga – Vice-Chairperson, Election Committee

Loyalty Awardees

- 5 Years in Service – Mr. Giancarlo C. Mendones, MIS Associate
- 5 Years in Service – Mr. Gil Paolo B. Reynoso, MIS Junior
- 15 Years in service – Mrs. Ma. Lourdes E. Queseá, Admin and Operations Manager

XIV. OPEN FORUM

Mrs. Abuel opened the floor for Open Forum to address the concerns of partner- cooperatives and organizations through their representatives. Below is the summary of the said Open Forum:

Queries and Concerns	Answers and Clarifications
Mr. Nephtalie M. Fernandez of Abuyon National High School Employees and Multi Purpose Cooperative asked, “Can a non-member of the cooperative become a member of CARE MBA, Inc.?”	President, Abuel answered, “ No, you should be a member of cooperative or any organized groups before becoming a member of CARE MBA, Inc.”
Mrs. Estela Laylay of MAREMCO clarified, “Is there an age limit for Credit Life Insurance Plan?”	President, Abuel answered, “ Yes, mam just like the exit age for Basic Life Insurance Plan, the age limit for Credit Life Insurance Plan is from 18-66 years old.”
Mrs. Yolanda C. Dagos of Ating Kooperatiba Multipurpose Cooperative, asked “If a body has not been seen for several years, can death benefits be claimed?”	Vice-President, Atty. Joycee M. Sio answered, “According to the Civil Code, if a person has been missing for seven years and was not engaged in a high-risk occupation, their beneficiary may claim the benefits.”

Minutes of the 15th Annual General Meeting of CARE MBA, Inc. held at St. Jude Coop Hotel and Event Center on May 30, 2025



XV. RESULTS OF ELECTIONS 2025

The Independent Trustee, Mr. Gaudioso A. Lavadia, who also serves as the Chairperson of the Audit Committee validated the election result and attested by Mr. Lomar B. Villapando, CPA - President of the Philippine Institute of Certified Public Accountants (Quezon Province Chapter), who served as an Independent Party Examiner appointed by the Election Committee.

The result of election was submitted by the Election committee headed by Mr. Sedfrey R. Potestades. There being no objection raised and being no seat contested, the General Assembly moved for the acceptance of the newly elected CARE MBA, Inc. Board of Trustees and Election Committee which the General Assembly unanimously agreed.

A. Regular Board of Trustees

Names	No. of Votes	Total Number of Members Represented	Rank	Remarks
Mr. Lucilo G. Jimenez	58	23,683	2nd	Elected
Mr. Isagani H. Matibag	61	25,144	1st	Elected

B. Election Committee

Names	No. of Votes	Total Number of Members Represented	Rank	Remarks
Engr. Renato L. Obeña	60	25,144	1st	Elected

COOPERATIVE ALLIANCE FOR RESPONSIVE ENDEAVOR MUTUAL BENEFIT ASSOCIATION, INC.
39 Ilang-ilang St., Zaballero Subd., Brgy. Gulang-gulang, Lucena City

15'th ANNUAL GENERAL MEETING
May 30, 2025

ELECTION RESULTS

Name of Elected	Total Number of Votes Collected			REMARKS	TERM OF OFFICE
	Weight of Vote	Total Number of Members	(in figures)		
REGULAR BOARD OF TRUSTEES					
1 Jimenez, Lucilo G.	58	Twenty - Three Thousand Six Hundred Eighty - Three Only	23,683	2nd	2 years
2 Matibag, Isagani H.	61	Twenty - Five Thousand One Hundred Forty - Four Only	25,144	1st	2 years
ELECTION COMMITTEE MEETING					
1 Obeña, Renato L.	60	Twenty - Five Thousand One Hundred Forty - Four Only	25,144	1st	2 years

Certified true and correct by the following:

SEDFREY POTESTADES
 ELECOM, Chairperson

SONIA J. MAYUGA
 ELECOM, Vice-Chairperson

EDENEUF VASQUEZ
 ELECOM, Secretary

Noted by:

GAUDIOSO A. LAVADIA
 Chairperson of Audit Committee

LOMAR B. VILLAPANDO, CPA
 PICPA-Quezon Chapter, President

Subject	Number of Voting Delegates	No. of Votes in Favor	No. of Votes Against	No. of Abstain Votes	No. of Absentees
Acceptance of Election Result 2025	28,128	25,862	0	0	2,266

**Minutes of the 15th Annual General Meeting of CARE MBA, Inc.
held at St. Jude Coop Hotel and Event Center on May 30, 2025**



ACTION OF THE ASSEMBLY: The Assembly affirmed the results of Election 2025.

GENERAL ASSEMBLY RESOLUTION NO. 010-2025

Acceptance and adoption of the Results of Elections of the New Board of Trustees and Election Committee

On motion of Mrs. Rowena Lubiano, active member, representing St. Jude Multi-Purpose Cooperative, duly seconded by Mrs. Grace Prudente, active member, representing KUMARE, Inc.,

RESOLVED, AS IT IS HEREBY RESOLVED, to accept and adopt the results of Election of the new Board of Trustees and Election Committee. The same was witnessed by a third party, MR. LOMAR VILLAPANDO, incoming PICPA President invited for the said purpose.

RESOLVED FURTHER, that as deemed required, CARE MBA shall furnish the Insurance Commission and the Securities and Exchange Commission with a copy of this resolution for their information and proper guidance.

APPROVED UNANIMOUSLY

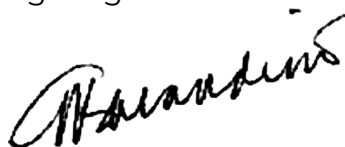
XVI. OATH TAKING OF THE NEWLY ELECTED TRUSTEES AND ELECOM MEMBERS

The newly elected Board of Trustees namely: Mr. Lucilo G. Jimenez and Mr. Isagani H. Matibag and newly elected Election Committee, Engr. Renato L. Obeña, took their oath of office as new members of the Board of Trustees and Election Committee. The oath was administered by Mrs. Paz L. Bobadilla, CPA, Board of Adviser of CARE MBA, Inc.


XVII. ADJOURNMENT

There having no more matters to be discussed, on motion of Mrs. Marilou R. Milan, active member, representing MARBENCO, duly seconded by Mrs. Elizabeth Rejano, active member, representing Koopnaman Multi-purpose Cooperative., the Annual General Meeting ended at exactly 2:38 o'clock in the afternoon.

I hereby certify the correctness of the foregoing Minutes


ERLENE E. BARANDINO
Corporate Secretary

Attested By:


CRISELDA R. ABUEL
President

Board Resolutions for the Year 2025



Meeting Date	Resolution Number	Title
Jan. 24, 2025	001-2025	CARE MBA, Inc. Risk Registry for year 2025
	002-2025	Authorized Signatories for Building Construction and Improvements
	003-2025	Authority to Place Investments
Feb. 27, 2025	004-2024	Construction of Deep well
	005-2024	Authorized Representatives to Secure Permit to DENR
	006-2024	Authorized Person to Authenticate IC Documents
	007-2024	Interest on Members' Equity
	008-2024	Official Representative to MIMAP Annual General Meeting
Mar. 27, 2025	009-2025	A Resolution to Donate Love Gift in Cash to Rev. Fhiel Andrei A. Rea on His Ordination
	010-2025	A Resolution to Approve the Sponsorship Proposal from MIMAP RE: "Publication of National Microinsurance Forum 2025 and the 20th Anniversary of MIMAP"
	011-2025	A Resolution to Acknowledge the Verified Annual Statement of CARE MBA, Inc. for the Year 2023
	012-2025	Approval of Budget for the 15th Annual General Assembly
Apr. 24, 2025	013-2025	Approval of the Implementation of DOLE Wage Order IV-21 Tranche 2
	014-2025	Confirmation of the Promotion of the Accounting Associate from Salary Grade 4-Step 3 to Salary Grade 5-Step 4
	015-2025	Confirmation of the Change Employment Status of the Accounting Assistant from Probationary Status to Permanent Status
	016-2025	Approval of In-house and Self-Managed Health Program for the Employees of CARE MBA, Inc.
	017-2025	Approval of Renewal of the Contract of Service of the General Manager Covering the Period May 31, 2025 to May 30, 2026
May 23, 2025	018-2025	Approval of the Marketing Concept of the Proposed Microinsurance Barangay Coordinators Program
	019-2025	Creation of the Ad Hoc Committee for the Proposed Microinsurance Barangay Coordinators Program
May 30, 2025	020-2025	The Board of Trustees for the Term 2025-2026
	021-2025	Election Committee for the Term 2025-2026
	022-2025	Approval of the Appointment of Erlene E. Barandino as Corporate Secretary for the Term 2025-2026
	023-2025	Approval of the Appointment of Melody L. Bringel as Internal Auditor for the Term 2025-2026
	024-2025	Working Committees for the Term 2025-2026
	025-2025	Bank Signatories for the Term 2025-2026

Board Resolutions for the Year 2025



Meeting Date	Resolution Number	Title
Jun 27, 2025	026-2025	Creation of the Technical Working Group for Microinsurance Barangay Coordinators Program
	027-2025	Investment to Landbank
Jul 28, 2025	028-2025	A Resolution Updating the Special Committees for the Term 2025-2026
	029-2025	Approval of Budget for Conducting Parallel Run of Gross Premium Valuation
Aug. 22, 2025	030-2025	Approval of Policy on Utilization of Fund Assigned
	031-2025	Policy on Raffle Program
	032-2025	Policy on Calamity Financial Assistance
	033-2025	Confirmation of Investment with Retail Treasury Bonds Tranche 31
	034-2025	Approval of Investment with Double Dragon Corporation
	035-2025	Approval of Maker and Approvers for Online Banking Transactions
	036-2025	Approval of Group Yearly Renewable Term – Free Insurance
	037-2025	Free Life Insurance to New Members or Reactivated Members
	038-2025	Confirmation of New Partners-Samahan ng Magkakapitbahay Agrarian Reform Cooperative at Catanauan, Quezon
Sept. 25, 2025	039-2025	A Resolution Acknowledging the Results of Risks Analysis and the Corresponding Recommendations
	040-2025	A Resolution Granting Performance Incentive to Employees in Active Service as of December 31, 2024
	041-2025	Contract of Service of the General Manager
	042-2025	Approval of Salary Increase Effective October 1, 2025
	043-2025	Approval of Participation in AOA Summit and the Delegates from CARE MBAI
	044-2025	Approval of Participation in ICMIF Sustainable Summit and the Participants from CARE MBAI
	045-2025	Participants from CARE MBAI to the Seminar on Good Governance and AMLA Workshop
	046-2025	A Resolution Authorizing the Management to Close the Deposit Account with Robinsons Bank and Transfer the same to BPI Corporate Account
Oct. 24, 2025	047-2025	A Resolution Accepting the IC Verification Report of the Association's 2024 Annual Statement
	048-2025	Action taken on IC Verification of the 2024 Annual Statement of CARE MBA, Inc. re: Findings and Requirements
	049-2025	Appropriation of the Excess Free and Unassigned Fund Balance for Year 2024
	050-2025	Approval of MIS System Upgrade with Brothers Megawork System (BMS) Corporation

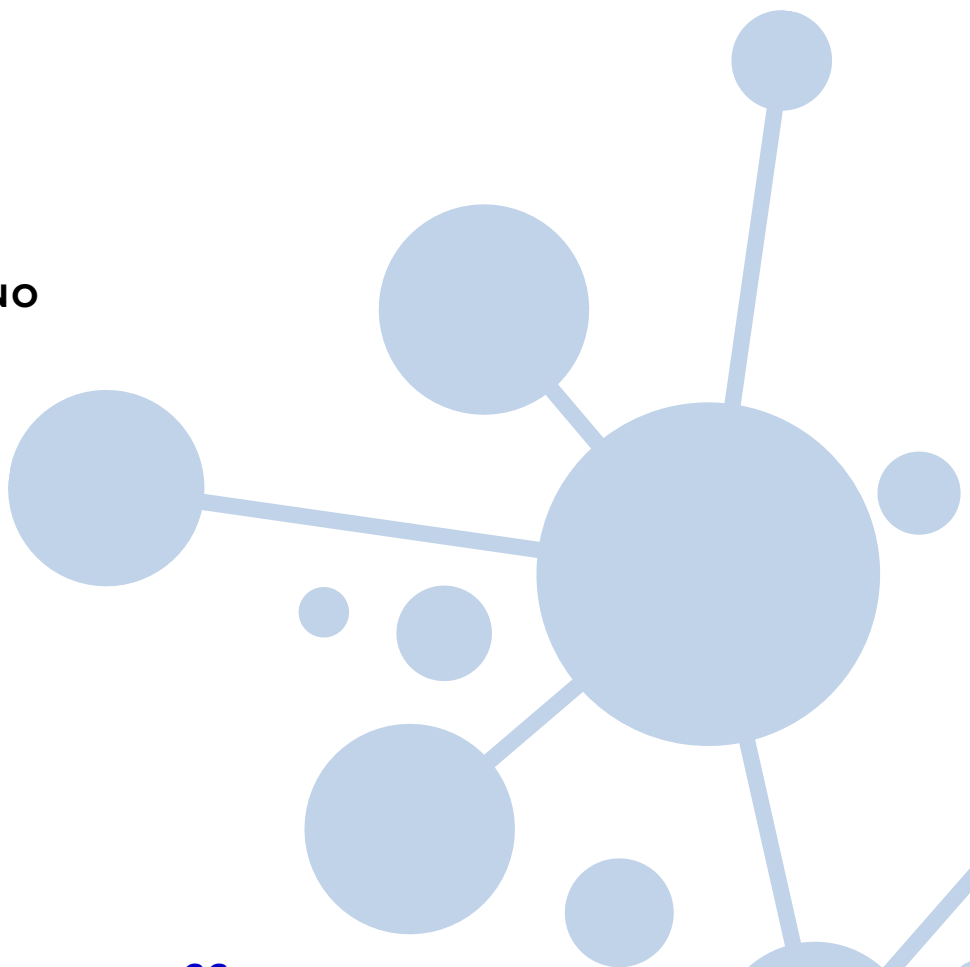
Board Resolutions for the Year 2025



Meeting Date	Resolution Number	Title
Nov. 24, 2025	051-2025	A Resolution Authorizing the Placement of Investments with PNB- Lucena, Red-V Branch
	052-2025	A Resolution Authorizing the Opening Savings Deposit Account with, PNB- Lucena Red-V Branch to Serve as Settlement Account
	053-2025	Approval of CARE MBA, Inc. Work Plan 2026
Dec. 11, 2025	054-2025	Approval of Employees' Christmas Bonus for Year 2025 Based on Exemplary Performance for the Year
	055-2025	A Resolution Approving the Assets Useful Life Policy and Document Retention Policy of CARE MBI, as Updated and Amended on December 10, 2025
	056-2025	A Resolution to Enter into Audit Engagement with Quilab & Garsuta, CPAs for the Conduct of Audit and Examination of the Result of Operations for the Year 2025
	057-2025	Approval of CARE MBA, Inc. Budget for the Year 2026

Prepared by:

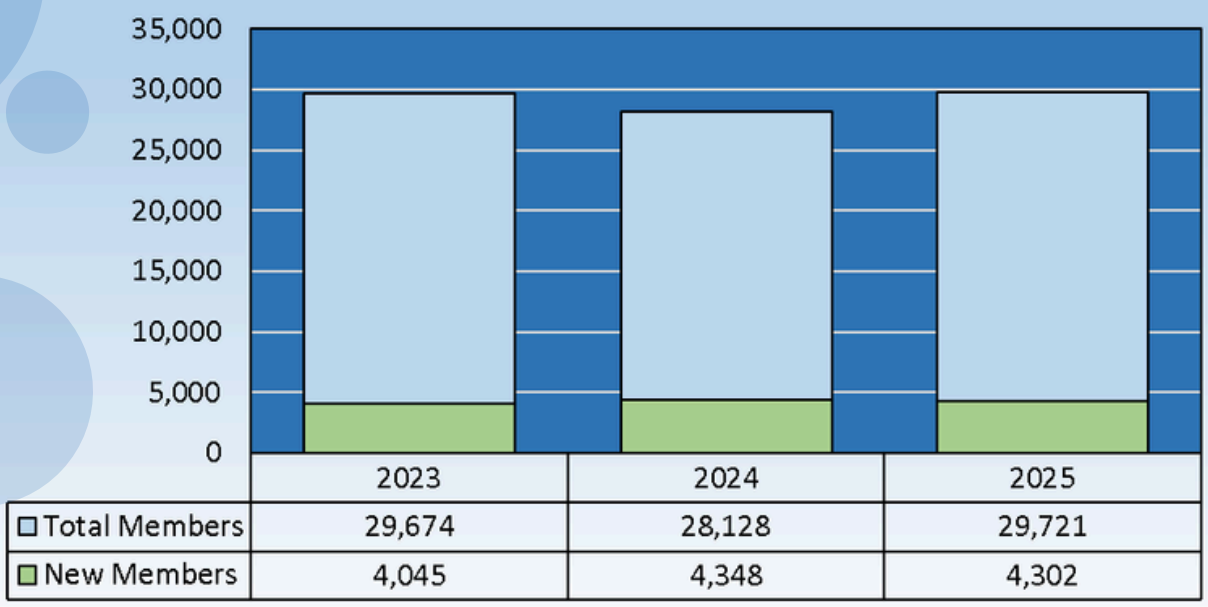
Erlene E. Barandino
ERLENE E. BARANDINO
 Corporate Secretary



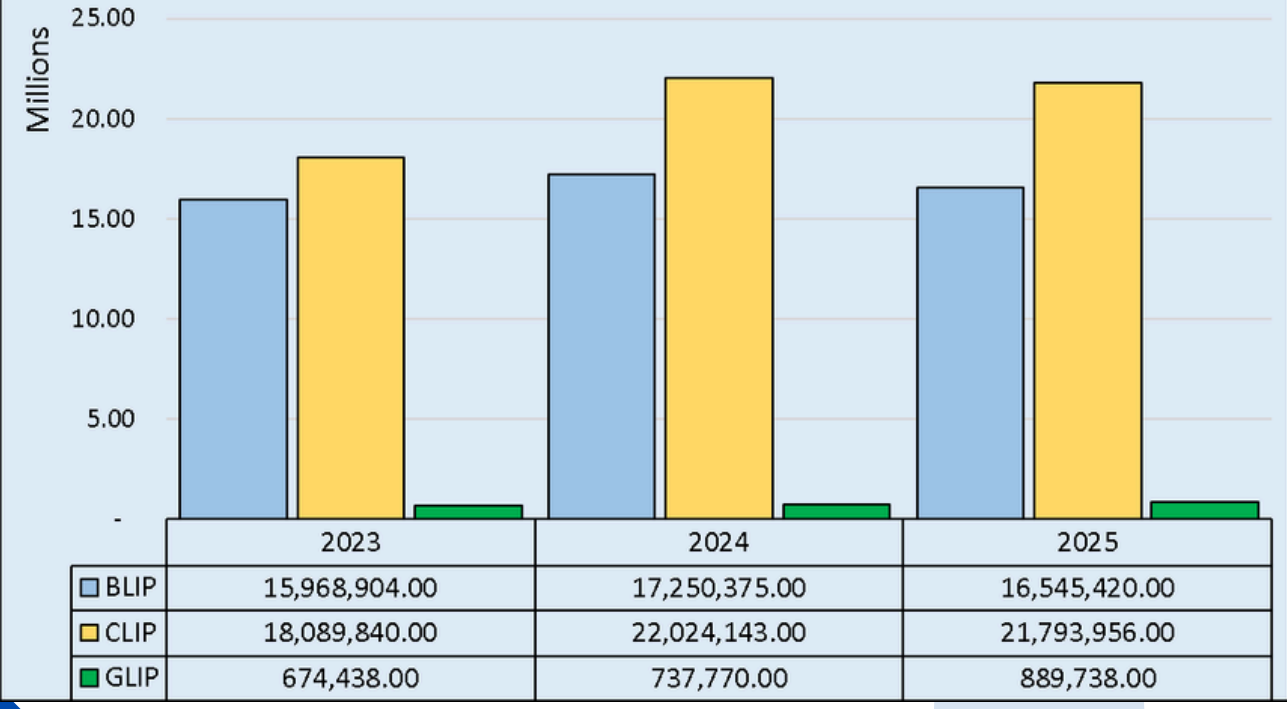


MEMBERSHIP UPDATE

MEMBERSHIP



Members Contributions



OPERATION HIGHLIGHTS

CLAIMS SETTLEMENT

Basic Life Insurance Plan (BLIP)

There were **160 BLIP claims** for this year 2025, 107 are members, 52 are dependents and 1 total and permanent disability. The **total amount of claims paid reached to P 2.4M**.

The age with most deaths occur on the 51-60 and 61 and above years age range while the leading causes of death are: Cardiovascular, Neurological, Respiratory, Hematological, and Multi-organ Failure respectively.



NUMBER OF CLAIMS

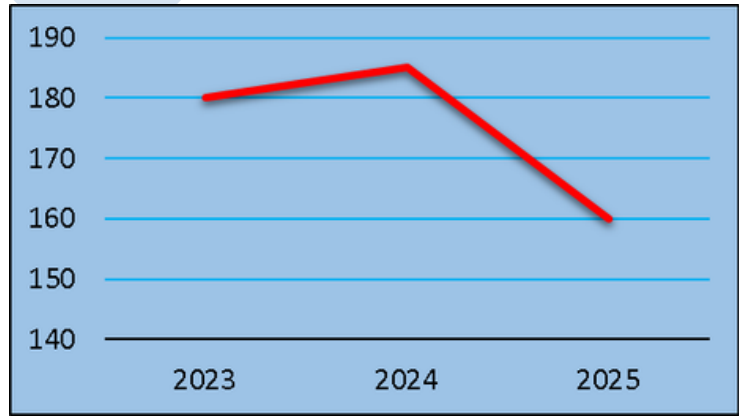
160

AMOUNT OF CLAIMS

P 2.4M



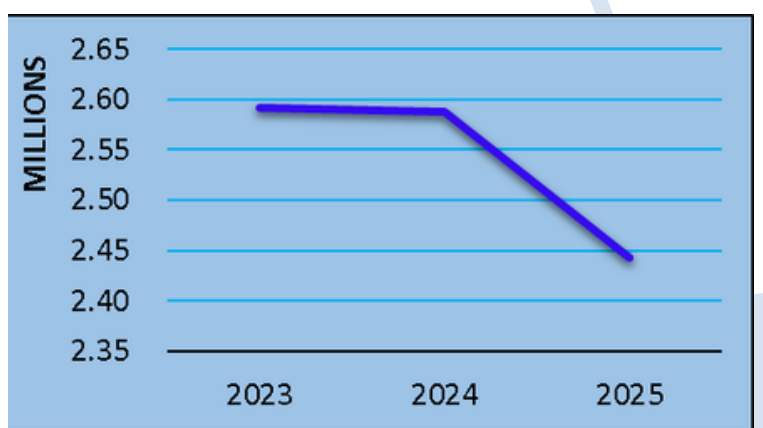
Number of Claims



Age Range	No. of Claims
Below 18	1
18 - 30	2
31 - 40	10
41 - 50	25
51 - 60	62
61 & above	60
TOTAL	185

Cause of Death	No. of Claims
Cardiovascular	53
Neurological	30
Respiratory	27
Hematological	26
Multi-Organ Failure	6
Cancer	5
Renal	5
Hepatic	4
Homicide	2
Gastrointestinal	1
Undetermined	1

Amount of Claims



OPERATION HIGHLIGHTS

CLAIMS SETTLEMENT

In 2025, CARE MBA processed 85 claims in Credit life Insurance Plan (CLIP) totaling P 3.5M.

In addition to the 76 claims processed, there were 55 re-insured claims totaling P 8.4M

Credit Life Insurance Plan (CLIP)



INSURED LOANS
14,650



TOTAL AMOUNT INSURED
P 410M



NUMBER OF CLAIMS
85



AMOUNT OF CLAIMS
P 3.5M

RE-INSURANCE



NUMBER OF CLAIMS
55



AMOUNT OF CLAIMS
P 8.4M

Golden Life Insurance Plan (GLIP)

Golden Life Insurance Plan (GLIP) is an extended program of BLIP for members reaching the Exit Age of 66 years old with uninterrupted member of BLIP for a minimum of 5 years. 10 years to pay covered by the insurance up to 100 years old.

This year 2025, 6 claims in GLIP and the total amount reached P 246k.



ENROLLED
260



NUMBER OF CLAIMS
6



AMOUNT OF CLAIMS
P 246K

OPERATION HIGHLIGHTS

MEMBER'S BENEFIT

**CARE FREE
10K ADDITIONAL
INSURANCE**

CARE Free Members' Benefit Program is CARE MBA's additional life insurance given to members in good standing (MIGS) with at least two years. Additional free insurance benefits amounting to P10,000.00 and does not require any contribution. There were 12 claims from 2025 and the benefits were given directly to their beneficiaries respectively.



ENROLLED
12,594



NUMBER OF CLAIMS

12



AMOUNT OF CLAIMS

P 120K

FIRE ASSISTANCE



GRANTED ASSISTANCE

0



TOTAL AMOUNT

P 0

CARE MBA Inc. immediately provides cash assistance on financial needs of members affected by calamities and those members house burned down by fire. There were 0 recipients of fire assistance in 2025.

SCHOLARSHIP PROGRAM

COLLEGE

14

SENIOR
HIGH

1

JUNIOR
HIGH

0

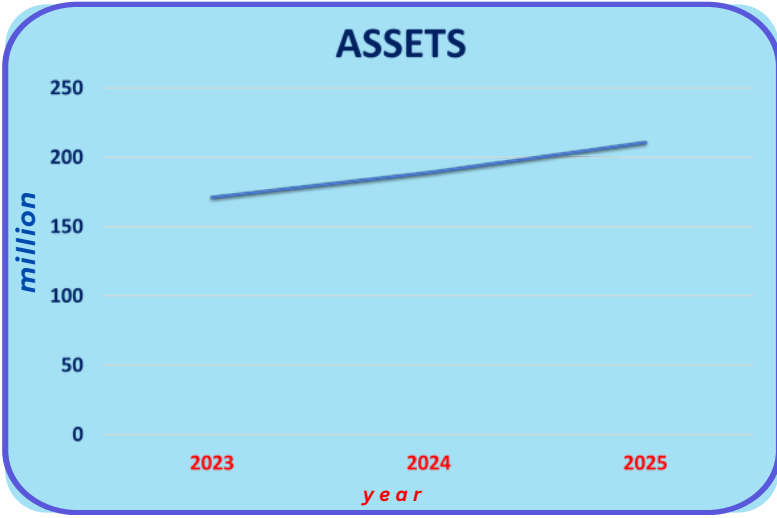
TOTAL FINANCIAL ASSISTANCE

P 139K

Scholarship Program gives financial assistance (Extra Baon) to qualified students whose parent/s are active members of CARE MBA for at least two years, with three (3) children studying, simultaneously. The Extra Baon for Junior and Senior High is P 4,000.00 and P 10,000.00 for College scholars, every school year.

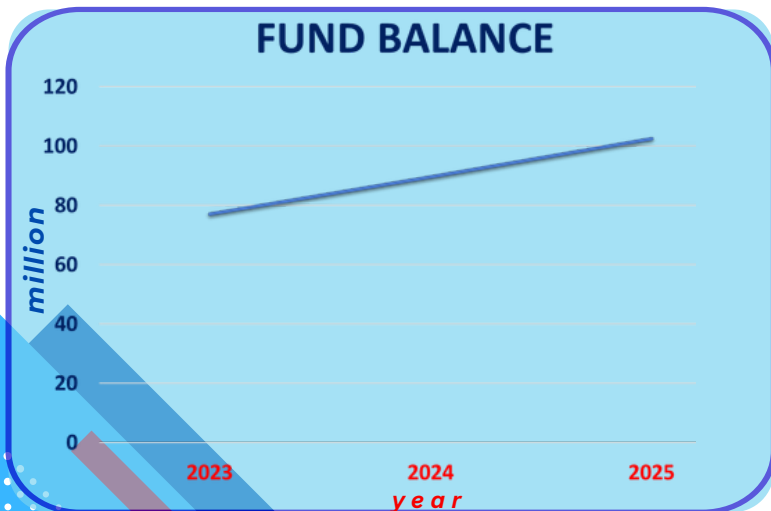
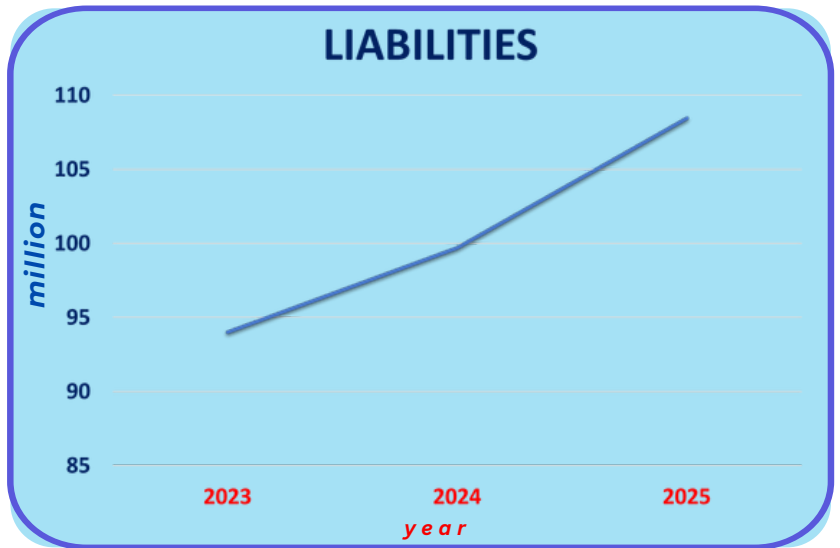
To date, we have 3 Senior High and 14 College scholars who are continuously renewing and complying with the guidelines and policies of CARE MBA, Inc. Scholarship Program.

FINANCIAL HIGHLIGHTS



CARE MBA Inc.'s total assets have steadily increased from 2023 to 2025, reflecting sustained growth and a stronger financial position. From ₱5 million in 2009, assets have grown to ₱210.86 million, demonstrating effective resource management and continued operational expansion.

Liabilities increased from 2023 to 2025, reflecting the company's expansion and increased financial obligations, aligned with its overall growth.



The fund balance shows a consistent increase from 2023 to 2025, reflecting the company's improved financial strength and sustained accumulation of resources over time.



FINANCIAL HIGHLIGHTS

	2025	2024	VARIANCE INC/(DEC)
ASSETS	210,859,834.00	189,367,222.00	11%
LIABILITIES	108,459,835.00	99,693,488.00	9%
FUND BALANCE	102,399,999.00	89,673,734.00	14%
NET SURPLUS	13,143,907.00	12,249,344.00	7%
MEMBERS' CONTRIBUTION	39,229,114.00	40,012,288.00	-2%
OPERATING EXPENSE	7,342,823.00	7,226,467.00	2%
LIQUIDITY RATIO	778%	807%	29%

The company recorded positive financial growth in 2025, with total assets increasing by 11% to ₱210.86 million. This was accompanied by a 14% increase in fund balance and a 7% rise in net surplus, reflecting improved overall financial position.

Liabilities grew by 9%, indicating a measured expansion consistent with asset growth. Operating expenses increased modestly by 2%, demonstrating effective cost control.

Members' contributions, however, declined by 2%, highlighting a potential area for improvement.

The liquidity ratio remained strong at 778% (2024: 807%), indicating the organization's continued capacity to meet its short-term obligations despite a slight decrease.

The company's financial performance in 2025 reflects steady growth and sound management. With a solid asset base and strong liquidity, the organization is well-positioned to sustain its operations while exploring opportunities to enhance member engagement and financial resilience.

WORK PLAN 2026



Key Result Areas (KRAs)	Target	Performance Indicators	Strategies	ACTIVITIES
A. Membership Growth				
A. 1 Membership Increase				
A.1.1 BASIC LIFE INSURANCE PLAN				
NEW MEMBERS to be enrolled	4,200	Number of new members	1. Segmentation of partners with at least 500 members and above and give them specific numbers of enrollment a year with additional incentive	1.1 Segmentation of partners with at least 500 members and above and give a target. 1.2 Identify partners that can contribute to the target increase of membership (the following are the identified coop partners) 1.2.1 St. Jude MPC 1.2.2 Lopez Quezon MPC 1.2.3 PEARLS MPC 1.2.4 Ating Kooperatiba MPC 1.2.5 RHUDARDA MPC 1.2.6 KUMARE Inc. 1.3 Identify incentives for partners (coop and staff) that hit targets, create criteria ♥ Categorize other coop partners to identify their targets. ♥ Selection of DSWD Municipal Coordinator ♥ Selection of Brgy. Coordinator - Coop
			2. Activate the Marketing Committee	2. Creation of a special marketing committee. ♥ 1 BOT ♥ 1 from Management ♥ representatives from partners ♥ responsible - BOT (define functions)
			3. Participate in the General Assembly of partners for microinsurance awareness	3. Participate in the General Assembly of partners for microinsurance awareness ♥ Scheduling of Coops General assembly and send a representative of CARE MBA to signify support, and provide updates

WORK PLAN 2026



Key Result Areas (KRAs)	Target	Performance Indicators	Strategies	ACTIVITIES
NEW MEMBERS to be enrolled	4,200	Number of new members	4. Reach out to Barangay levels and even the lower and middle class prospected members	4. Reach out to Barangay levels and even the lower and middle class prospected members ♥ Identify coop to partner for this activity -LQMC (to Pilot through their purok ugnayan) ♥ Continuous partnership to DSWD/SLP trainings and proper monitoring of members ♥ Create a monthly report about DSWD/SLP (new members, progress of partnership, lapsed/advanced)
			5. Introduce other alternative products to the coop partners for higher benefits of members	5. Introduce other alternative products to the cooperative partners for those who want to avail additional benefits. ♥ Include presentation during training and orientation
			6. Visitation of Coop Partners monthly or quarterly by District	6. Schedule visit to Coop partners, provide updates, conduct orientations, refreshers, coordinator turn-over. ♥ Create checklist / program for visits, checklist of coops visited. ♥ Provide simple tokens. ♥ Have a target number/percentage of visited partners - at least 40% of total partners
			7. Identify prospective Coop to market and orient members	7. Identify partners without BLIP. Send letter to partners without BLIP attached with list of members with CLIP only. ♥ Designate specific person to Monitor. ♥ Create process for enrollment of members with CLIP without BLIP. ♥ Create alternative for CLIP of members without BLIP. ♥ Enroll to reinsurance partner
Member's RETENTION	86% Based on the existing members in previous year	2% increase per year	1. Sending of monthly lapsed/advanced report to partners	1. Generate report of Lapsed/Advanced monthly and disseminate to Coop partners for their proper monitoring and information to be convey to members
			2. Implementation of members benefits □ Free Insurance □ Scholarship □ Calamity Assistance	2.1 Continue to give CARE FREE insurance to MIGS member in BLIP 2.2 Continuously provide scholarship 2.3 Provide calamity/Fire and catastrophic assistance

WORK PLAN 2026



Key Result Areas (KRAs)	Target	Performance Indicators	Strategies	ACTIVITIES
Member's RETENTION	86% Based on the existing members in previous year	2% increase per year	3. Support to partner groups that promote growth, retention and participation rates	3.1 Implement Raffle Programs to different cooperatives ♥ Continue to give CARE FREE insurance ♥ Target - 5% decrease in inactive members 3.2 Continuous updating of address and birthdays to monitor exit age ♥ Select partners for updating at least 10 cooperatives ♥ Target - 100% completion of selected partners
			4. Implementation of re-instatement policy (update/re-date)	4. Create policy or program to encourage member to update and activate their membership in BLIP
A.1.2 CREDIT LIFE INSURANCE PLAN				
Increase in CLIP Contribution	17M gross contribution	Amount of collected Contribution	1. Automatic enrollment of BLIP members to CLIP	1.1 To encourage our partners with BLIP to automatically enroll/ensure the Loans to CAREMBA 1.2 Strict implementation of CLIP CARE and IRR policy ♥ Create MOA (includes all the requirements needed for CLIP, loan limit)
			2. Incentive program to partners for CLIP	2.1 Develop incentive program for cooperative with at least 80% of their loan enrolled to the association 2.2 Review partners with high CLIP remittance and evaluate their service fee for CLIP if applicable
			3. Partnering with re-insurance company for above 200k loan	3.1 Strengthen re-insurance partnership to persuade partners on their mandatory enrollment of their members' loans 3.2 Conduct due diligence and monitoring of reinsurer/partner ♥ Review updated MOA to RI partners ♥ Meetings with re-insurance providers to discuss processes, claims and other matters about CLIP reinsurance
			4. Partners to mobilize the trained coordinators for CLIP	4.1 Include loan processors to trainings and orientation via zoom or F2F ♥ Quarterly meetings if possible 4.2 Fast release of incentives/commission to Coop partners

WORK PLAN 2026



Key Result Areas (KRAs)	Target	Performance Indicators	Strategies	ACTIVITIES
A.1.3 GOLDEN LIFE INSURANCE PLAN				
A.1.3 Golden Life Insurance Plan	50 Increase in new GLIP members	Number of new members exiting from BLIP and qualified to enroll in GLIP	<ol style="list-style-type: none"> Partners to enroll their exiting members to GLIP Continuous promotion and dissemination of GLIP Monitoring of qualified members 	<ol style="list-style-type: none"> Promote GLIP to incorporators namely: <ul style="list-style-type: none"> ♥ QMMG MPC ♥ San Luis Dev. Coop Encourage qualified exiting members to enroll in GLIP Include GLIP in the presentation during orientation/training Provide lists of exiting members in BLIP qualified to enroll in GLIP on a monthly basis <ul style="list-style-type: none"> ♥ Enhanced monitoring of qualified members ♥ Informed members with 1 year lapses to update or withdraw their Cash Surrender Value Create a message and send via Text blasts to inform members that are qualified to GLIP
B. Area Coverage				
B.1 New Partner Cooperative or Organizations	5 new partners per year	Number of new partners per year	<ol style="list-style-type: none"> Tie up with QFUC as our Marketing Arm and set specific target To seize area in Quezon Province that are not yet partners Annual joint evaluation of partners 	<ol style="list-style-type: none"> Participate and join trainings and seminars by QFUC <ul style="list-style-type: none"> ♥ Send proposals to prospect partners in collaboration with QFUC Work together with DSWD PDO and actively participate in their Trainings Conduct a yearly evaluation of partnership progress <ul style="list-style-type: none"> ♥ On site Visitation ♥ Meetings via Zoom Videoconferencing
B.2 Number of Provinces	1	Number of new partners in other provinces within and outside Southern Luzon	<ol style="list-style-type: none"> Look for possible partnership within Batangas Province Networking activities within Southern Luzon Revive the partnership with PALMFSI 	<ol style="list-style-type: none"> Follow up the contact person in Oriental Mindoro league of Cooperatives Look for possible partnership within Cavite province Visit PALMFSI at least once a year
C. Policy and Product Development				
C.1 Policy Review	5 policies reviewed/enhanced/created	Number of policies reviewed / enhanced / created	<ol style="list-style-type: none"> Inventory of existing policies Allocation of policies for each designated committee 	<ol style="list-style-type: none"> Review existing policy and enhanced those that need enhancement <ol style="list-style-type: none"> Assign policies for each designated committee Review of policy and manual for every Committee meetings
C.2 Product Development	Increase members' benefits	Increase the amount of members' benefits (BLIP)	<ol style="list-style-type: none"> Provide quota for partners (new members enroll) Tie up with re-insurance company 	<ol style="list-style-type: none"> Provide target to top coop partners Continuous partnership to RI partners

WORK PLAN 2026



Key Result Areas (KRAs)	Target	Performance Indicators	Strategies	ACTIVITIES
D. Efficiency of Operations				
D.1 Digitization of Collection, Payment and Processing of Claims	50% of collections and payments through online banking by 2028	% of claims settled within 1 to 5 days	<ul style="list-style-type: none"> Roll out of Mobile App Subscribe to text blast Accept online payments 	<ul style="list-style-type: none"> ♥ Encourage partners to send softcopy of listing for easy uploading of contributions and payments ♥ Boost textblast
D.2 MIS	80% of data	100% of data needed provided by partners	<ul style="list-style-type: none"> Data capturing from partners Implement auto fill CLIP application to St. Jude MPC and other partners Field visit and monitoring Attend General Assemblies of partners Re-orientation with the Board of Trustees/staff Visitation of Coop Partners monthly or quarterly by District (Monitoring) 	<ul style="list-style-type: none"> ♥ Upgrading of system ♥ Create Portal for Coop partners
D.3 IFRS 17 / IFRS 4+	Further study of IFRS 17/IFRS 4+ for adoption by 2027	Adoption by 2027 of IFRS 17/IFRS 4+	<ul style="list-style-type: none"> Training of five staff Accounting & MIS Impact assessment by third party Study product modification/re-evaluation 	<ul style="list-style-type: none"> ♥ Budget for IFRS17 and GPV ♥ Enroll in Masterclass to fully study the IFRS 17 ♥ Comply in GPV Parallel run
E. Community Development Programs				
E.1 Scholarship Program	Total of 26 scholars	Number of scholars per year	<ul style="list-style-type: none"> Allot number of scholars on selected partners Select qualified MIGS members Conduct periodic review of scholarship program/updating/enhancing guidelines 	<ul style="list-style-type: none"> ♥ Continue to give scholarship to current scholars who will renew and maintain their Grades
E.2 Calamity Assistance	P300,000.00 budget	Amount of Calamity Assistance to be given to partners	<ul style="list-style-type: none"> Provide Calamity Assistance to members Conduct periodic review of calamity assistance program 	<ul style="list-style-type: none"> ♥ Continue the program
E.3 Catastrophic Insurance	Payment of 21,000 pesos for Catastrophic Insurance	Amount of catastrophic re-insurance	<ul style="list-style-type: none"> Subscribe in Catastrophic Insurance yearly 	<ul style="list-style-type: none"> ♥ Continue the program
E. Community Development Programs				
E.4 Fire Assistance		Number of fire assistance given	<ul style="list-style-type: none"> Provide Fire Assistance to members Continue with existing program to provide cash assistance to victims 	<ul style="list-style-type: none"> ♥ Continue the program

WORK PLAN 2026

Key Result Areas (KRAs)	Target	Performance Indicators	Strategies	ACTIVITIES
E.5 Additional Insurance Coverage	Enroll 12,500 MIGS members	Number of members enrolled	<ul style="list-style-type: none"> Automatic enrollment of members in good standing (2 years) to P10,000 Additional Insurance Coverage (Life Insurance) CARE MBA gives list of qualified member for free Life Insurance to coop partners 	♥Continue the program
E.6 Sustainable Community Project in Collaboration with Partners	8 activities -Tree planting -Feeding program -Dental mission	Identify top 10 partners	<ul style="list-style-type: none"> Collaborate on top performing partners on community projects Identify community projects addressing health concerns and environment issues 	To conduct ♥Financial Literacy ♥Mental Health Awareness and HIV Awareness to OFWs family, student, out of school youth
F. Human Resource Development for Staff and Members				
F.1 Trainings, Seminars and Workshops	50 trainings and Seminars	Number of coordinators trained	<ul style="list-style-type: none"> 60 trainings ; seminars Implementation of Municipal Coordinators or Cooperative Coordinators 	<ul style="list-style-type: none"> ♥ Budget for Training Materials such as (tokens and prizes) ♥Develop new video clips, testimonials and IEC materials ♥Continuously attend DSWD invitations ♥Approval of the Municipal Coordinator
F.2 Staff Development	100% IC Mandatory Training	100% of New Staff Trained	<ul style="list-style-type: none"> Coordinate with MIMAP on mandatory trainings 	
F.2.2 Advanced Training for Senior Staff	Attend IC Mandatory Training	Number of trainings facilitated by MIMAP	<ul style="list-style-type: none"> Coordinate with MIMAP on advanced trainings 	Proposed Trainings for Staff ♥ Personality Development ♥ Skills Leverage
F.2.3 Governance and AMLA Workshop for new Board of Trustees	Attend GAW and AMLA Training	100% of new BOT Officers	<ul style="list-style-type: none"> Coordinate with MIMAP 	♥ New Board of Trustee must attend the Good Governance and Anti-Money Laundering Workshop
F. Human Resource Development for Staff and Members				
F.2.4 Conferences Local and Abroad	Attend 2 participants for AOA / ICMIF	At least 2 participants every year	Coordinate with MIMAP / AOA	
F.2.5 Lakbay-Aral Local and Abroad	1 Lakbay-Aral for 2025	Number of Lakbay Aral	Coordinate with local and overseas linkages	♥Proposed Lakbay aral @ CARD MBA or Kasagana Ka MBA
G. CREATION OF MARKETING AND TRAINING FACILITY				
G.1.1 Construction of New Training Facility	Start construction January 2025	Hire 1 Marketing Staff	<ul style="list-style-type: none"> Create a plantilla position and hiring Marketing staff Training of Marketing staff 	♥ Proper monitoring of building construction
G.1.2 Renovation of Existing Building	Start of renovation Jan. 2025	Completion by 2025	Completion and utilization by 2025 and progress is monitored regularly	



BUDGET 2025

Cooperative Alliance for Responsive Endeavor Mutual Benefit Association (CARE MBA), Inc. Financial Projection and Budget 2026

Particulars		Budget
1	Projected Collections	
	Members' Contributions- BLIP	17,797,818.72
	Members' Contributions- CLIP	22,883,653.95
	Members' Contributions- GLIP	934,225.12
	Membership Fee	630,000.00
	Reinsurance Income	2,000,000.00
	Interest & Investment Income	7,500,000.00
	TOTAL	P 51,745,697.78
2	Aggregate Reserves for Members Benefits	
	Member's Equity	6,619,688.95
	Claims Fund-BLIP	945,669.85
	Claims Fund-CLIP	2,492,732.84
	Claims Fund-GLIP	111,021.04
		10,169,112.67
	NET CONTRIBUTIONS	P 41,576,585.11

LESS:

3	Projected Budget for regular operations	
	3.1 Claims Benefit Expenses:	
	BLIP	3,000,000.00
	CLIP	4,000,000.00
	GLIP	200,000.00
	Surrendered Plan/refund of members equity	2,800,000.00
	3.2 Reinsurance Expense and Collection fees	9,573,868.36
	3.3 General and Admin Expenses	9,606,143.16
		29,180,011.52
	NET SURPLUS	P 12,396,573.59

2026 CANDIDATES



BOARD OF TRUSTEES' (CHOOSE 3)



ATTY. JOYCEE M. SIO

COURSE: BSBA MAJOR IN ACCOUNTING
POST GRADUATE: Bachelor of Laws / Juris Doctor
ADDRESS: Lucena City
OCCUPATION: Clerk of Court V (Court Attorney)
WORK EXPERIENCE:
Attorney III – Coop. Dev't Authority (2011 – 2012)
Chief Executive Officer – KOOPNAMAN (2005 – 2011)
Training Officer – SJMPC (2000 – 2005)

COOPERATIVE REPRESENTED: ST. JUDE MULTI-PURPOSE COOPERATIVE



EMELY D. AZUL

COURSE: BACHELOR OF SCIENCE IN COMMERCE
POST GRADUATE: Master of Public Management
ADDRESS: Polillo, Quezon
OCCUPATION: Officer -In-Charge Polillo Water District
WORK EXPERIENCE:
Administrative Services Officer - POLWADI (2017 - Present)
Bookkeeper at RHUDARDA MPC (2008)

COOPERATIVE REPRESENTED : RHUDARDA MULTI-PURPOSE COOPERATIVE



MERLY L. DETOITO

COURSE: BSBA Major in Management
ADDRESS: Real, Quezon
OCCUPATION: General Manager – KUMARE Inc.
WORK EXPERIENCE:
Admin Officer – Kumare Inc. (2009 -2024)

ORGANIZATION REPRESENTED: KUMARE INC.

2026 CANDIDATES



INDEPENDENT TRUSTEE (CHOOSE 1)



MARY JULIET DR LABITIGAN

COURSE: Bachelor of Arts in Sociology
POST GRADUATE: Master of Science in Social Development
ADDRESS: Tayabas City, Quezon
OCCUPATION: College Professor (Faculty)
@ Colegio de la Ciudad de Tayabas
WORK EXPERIENCE:
Project Officer (2018 – 2019)
Nat'l Coordinator (2013 – 2015)
Nat'l Com. Behavioral Impact Officer (2010 – 2013)
Local Reform Implementation Coor. (2007 – 2010)

ELECTION COMMITTEE (CHOOSE 2)



MYRNA T. SALVALEON

COURSE: BACHELOR OF SCIENCE IN BUSINESS ADMINISTRATION
ADDRESS: Lucena City, Quezon
OCCUPATION: General Manager
Lucena Development Multipurpose Cooperative (LDMC)
COOPERATIVE REPRESENTED: LUCENA DEVELOPMENT COOPERATIVE (LDMC)



KAREN N. NER

COURSE: BACHELOR OF SCIENCE IN BUSINESS ADMINISTRATION
ADDRESS: Lopez, Quezon
OCCUPATION: Loan Servicing / Member Service - Lopez Quezon MPC
WORK EXPERIENCE: Clerk - Lopez Quezon MPC (2011 – 2016)
Teller - Lopez Quezon MPC (2005 – 2011)

COOPERATIVE REPRESENTED: LOPEZ QUEZON MULTI-PURPOSE COOPERATIVE (LQMP)



ROWENA G.
DAPULA

COURSE: BACHELOR OF SCIENCE IN NURSING
ADDRESS: Lucena City, Quezon
OCCUPATION: Administrative Aid VI - Provincial Treasurer Office
WORK EXPERIENCE: Stenographic Reporter I - Provincial Attorney's Office (1994 – 2020)

COOPERATIVE REPRESENTED : QUEZON PROVINCIAL GOVERNMENT OFFICIALS & EMPLOYEES
MULTI-PURPOSE COOPERATIVE (QPGOE MPC)

GOVERNANCE
policy legal process
law compliance
regulation skill power
protection

CORPORATE GOVERNANCE AND MANAGEMENT

THE BOARD OF TRUSTEES Board Governance and Diversity

Cooperative Alliance for Responsive Endeavor Mutual Benefit Association (CARE MBA), Inc. recognizes its talented and diverse Board of Trustees as a key competitive advantage. The Association's success in the field of Mi-MBA reflects the strong performance, leadership, and outputs of both the Board and Management.

The Board of Trustees of CARE MBA, Inc. is composed of seven (7) members: five (5) trustees who are recognized active members of partner organizations, and two (2) Independent Trustees who do not hold any business or other positions in any of CARE MBA's partner organizations.

Trustees serve a term of two (2) years, while Independent Trustees serve a term of three (3) years, for a maximum of three (3) consecutive terms, equivalent to a cumulative term of nine (9) years.

Members of the Board are elected during the Annual General Meeting (AGM) of the Association, held every last Friday of May.



15TH ANNUAL GENERAL MEETING

The 15th Annual General Meeting of CARE MBA, Inc. with a theme: 'Building Stronger Partnership Through Microinsurance' was held on May 30, 2025 at St. Jude Coop Hotel and Event Center in Tayabas City. The seven members of the board were all present including the management and was attended by 44 cooperative partners representing 25,862 members out of 28,128 active members, equivalent to 92% of total membership. During the election, two (2) regular Trustee positions and one (1) Independent Trustee position were declared vacant.

Voting was conducted through Google Forms. The election procedures were explained by the Chairperson of the Election Committee, Mr. Sedfrey R. Potestades. The canvassing of votes was conducted by the Election Committee and was overseen and verified by Mr. Lomar B. Villapando, CPA, President of the PICPA Quezon Chapter, with the assistance of Mr. Gaudioso A. Lavadia, Independent Trustee and Chairperson of the Audit Committee of CARE MBA, Inc.



THE BOARD OF TRUSTEES



ELECTION GUIDELINES

ELECTION RESULTS

BOARD OF TRUSTEES

- ISAGANI H. MATIBAG - 25,144 VOTES
- LUCILO G. JIMENEZ - 23,683 VOTES

ELECTION COMMITTEE

- ENGR. RENATO L. OBEÑA - 25,144 VOTES



NEWLY ELECTED BOARD OF TRUSTEES AND COMMITTEE



BOARD OF TRUSTEES' PROFILE



ATTY. JOYCEE M. SIO

PRESIDENT - BOARD OF TRUSTEE

Age: 55

TYPE OF DIRECTORSHIP

Non - Executive

PROFESSION

Clerk of Court V (Court Attorney), Feb. 2012 to present

Accredited Trainer and On-Call Operations Consultant for Cooperatives, Quezon Federation and Union of Cooperatives 2011 to present

EDUCATION

Bachelor of Laws/
Juris Doctor
Manuel S. Enverga
University Foundation

LEADERSHIP EXPERIENCE

- **ATTORNEY III**
Cooperative Development Authority Aug. 2011 to Jan. 2012
- **Chief Executive Officer**
KOOPNAMAN Multi-Purpose Cooperative 2005 to 2011
- **Training Officer**
St. Jude Multi-Purpose Cooperative, 2000 to 2005

OTHER CORPORATE LEADERSHIP ROLE

- **Chairperson, Board of Director**-St. Jude Multi-Purpose Cooperative
- **Member, Board of Director** - Tagalog Cooperative Development Center (TAGCODEC)
- **Regular Director** - Cooperative Bank of Quezon Province (CBQP)

TRAININGS, SEMINARS AND OTHER EXPOSURES

2025

- National Microinsurance Forum: Partnership for Greater Financial Inclusion, Jan. 27
- ICMIF Sustainable Summit 2025, London, England - Nov. 04 & 05
- Financial Literacy Training, Nov. 17

2024

- Good Governance and AMLA Workshop for Mi- MBAs - Oct. 28-30
- Compliant, Mandatory Continuing Legal Education (MCLE), 8th Compliance
- Continuing Legal Education Program for Trial Court Lawyers - November
- Pre-Judicature Program for Trial Courts - Sept. to Oct.

BOARD OF TRUSTEES' PROFILE



ARMIEL A. AZUL

VICE PRESIDENT - BOARD OF TRUSTEE

Age: 39

TYPE OF DIRECTORSHIP

Non - Executive

PROFESSION

Chief Executive Officer -
RHUDARDA Multi-
purpose Cooperative,
2017 up to present

Business Owner
Sugod Beach Resort,
Polillo, Quezon

EDUCATION

Bachelor of Science in
Business Management
Major in Marketing
Management
Southern Luzon State
University

LEADERSHIP EXPERIENCE

- **Independent Business Executive**
WS Pacific Publication, Sta. Mesa, Manila

TRAININGS, SEMINARS AND OTHER EXPOSURES

2025

- Management Forum "Drive. Thrive. Transform" - August 27 - 29 Learning Session RE: Investment - September 19
- Cooperative Development Authority Conciliator-Mediator June 19
- Fertilizers and Pesticides Authority-Accredited Fertilizers and Pesticides Dispensing Officer

2024

- National Microinsurance Forum "Sustainable and Inclusive Finance for Climate Resiliency" - January 23
- Empowering Transitions: "Mastering Decisions, Shaping Legacies and Building Your Next Chapter"- May 02

BOARD OF TRUSTEES' PROFILE



PERSEVERANDO C. FAJARDO

TREASURER - BOARD OF TRUSTEE

Age: 57

TYPE OF DIRECTORSHIP

Non - Executive

PROFESSION

Chief Executive Officer –
Quezon Federation and
Union of Cooperatives,
2019 up to present

EDUCATION

Diploma in Agriculture
Technology, Major in
Agroforestry -
Pampanga Agricultural
College

LEADERSHIP EXPERIENCE

- **Institution Building Specialist**
Land bank of the Philippines, 2003 – 2007
- **Project Assistant**
Land bank of the Philippines, 1996 - 2007

OTHER CORPORATE LEADERSHIP ROLE

- **ELECOM** - Provincial Cooperative
Development Council (PCDC)
- **Chairperson** - Municipal Cooperative
Development Council (MCDC)

TRAININGS, SEMINARS AND OTHER EXPOSURES

2025

- Mi-MBA Leadership Forum - Mar. 13

2024

- National Microinsurance Forum "Sustainable and
Inclusive Finance for Climate Resiliency" - January 23
- Online Investment Market Outlook Briefing – March 04

2023

- National Microinsurance Forum "Evolving the Purpose
in the Next Normal" - January 26

2022

- Management Forum: "Improving Regulatory Compliance
and Operating Systems" – Aug. 24-26
- Disaster Resiliency & Risk Financing: The Role of
Microfinance and Microinsurance – April 11

BOARD OF TRUSTEES' PROFILE



LUCILO G. JIMENEZ

TRUSTEE - BOARD OF TRUSTEE

Age: 59

TYPE OF DIRECTORSHIP

Non - Executive

PROFESSION

Manager
Lopez Quezon Multi-
Purpose Cooperative
2015 up to present

EDUCATION

Bachelor of Science in
Accountancy
Polytechnic University of
the Philippines, Lopez,
Quezon 1991

LEADERSHIP EXPERIENCE

- **Loan Officer**
Lopez Quezon Credit Cooperative, 1993 -2015
- **Loans Bookkeeper**
Lopez Quezon Credit Cooperative, 1990-1993

TRAININGS, SEMINARS AND OTHER EXPOSURES

2025

- Learning Session: Institutional Stock Investment 101,
Feb. 26

2024

- Online Investment Market Outlook Briefing- March 04

2023

- Good Governance and Anti-Money Laundering Act (AMLA)
Workshop – October 12-14

BOARD OF TRUSTEES' PROFILE



ISAGANI H. MATIBAG

TRUSTEE - BOARD OF TRUSTEE

Age: 61

TYPE OF DIRECTORSHIP

Non - Executive

PROFESSION

Public School District Supervisor – Department of Education, Quezon 2019 up to present

EDUCATION

Masteral Education School Supervision and Administration
UN Philippines, Iriga City, 2011

LEADERSHIP EXPERIENCE

- **Principal III**

Department of Education, Guinayangan, Quezon , 2015-2018

OTHER CORPORATE LEADERSHIP ROLE

- **Chairperson, Board of Director** - Ating Kooperatiba Multi-Purpose Cooperative, Tagkawayan, Quezon

TRAININGS, SEMINARS AND OTHER EXPOSURES

2025

- Online Investment Market Outlook Briefing

2024

- On Boarding for newly elected officer
- CARE MBA, Inc.-Product Orientation
- Governance and Management of Cooperatives
- Strategic Planning
- Entrepreneurial and Business Management
- Policy Development
- Cooperative Management and Governance
- Leadership and Values Reorientation
- Basic Cooperative Course

BOARD OF TRUSTEES' PROFILE



MARY JULIET D. R. LABITIGAN

INDEPENDENT BOARD OF TRUSTEE

Age: 67

TYPE OF DIRECTORSHIP

Non - Executive

PROFESSION

Faculty at Colegio de la Ciudad de Tayabas, Tayabas City, Quezon Province, 2021 up to present

EDUCATION

Master of Science in Social Development
Ateneo de Manila University, Loyola Heights, Quezon City, 2008

LEADERSHIP EXPERIENCE

- **Project Officer**
Basic Education Sector Transformation Program (BEST) May 27, 2019
- **National Coordinator**
Community Maternal, Newborn and Child Health and Nutrition (MNCHN) Scale-Up (CMSU) Project. September 30, 2015
- **Local Reform Implementation Coordinator**
European Commission (EC) -Technical Assistance (TA) to the Health Sector Policy Support Program. April 30, 2010
- **Field Coordinator**
Development (LEAD) for Health Project, Management Sciences for Health (MSH), a USAID Project, April 2004 – June 2006
- **Technical Program Officer**
Philippine Department of Health, 1988-2004
- **Research Associate**
Partnership for Health Action, Nation Building. & Socio- Economic Upliftment (PHANSUP), (November 2017-March 2018)

OTHER CORPORATE LEADERSHIP ROLE

- **Board of Director- Partnerships for Health, Agriculture, Nation-Building and Socio- economic Upliftment, Inc. (PHANSUP)**

TRAININGS, SEMINARS AND OTHER EXPOSURES

2025

- Mi-MBA Leadership Forum – Mar. 13

2024

- Corporate Governance Scorecard For Insurance Companies Workshop – April 23 & 24

2023

- Good Governance And Anti-Money Laundering Act (Amla) Workshop – October 18-20

2019

- Demographic Health Survey (Dhs) Data Analysis Workshop – July 15-19

BOARD OF TRUSTEES' PROFILE



GAUDIOSO A. LAVADIA

INDEPENDENT BOARD OF TRUSTEE

Age: 64

TYPE OF DIRECTORSHIP

Non - Executive

PROFESSION

Retired Employee since
2021

EDUCATION

Bachelor of Science in
Business Administration
Major in Accounting
Manuel S. Enverga
Univ. Foundation
1988

LEADERSHIP EXPERIENCE

- **PRESIDENT**
Cooperative Bank Of Quezon Province, 2019-2021
- **SENIOR VICE-PRESIDENT FINANCE & ADMIN**
Cooperative Bank Of Quezon Province, 2018-2019
- **EXECUTIVE VICE-PRESIDENT**
Cooperative Bank Of Quezon Province, 2013-2014
- **ASSISTANT GENERAL MANAGER**
Cooperative Bank Of Quezon Province, 2009-2013
- **HEAD OFFICE MANAGER**
Cooperative Bank Of Quezon Province, 2003-2008
- **BRANCH MANAGER**
Cooperative Bank Of Quezon Province, 1997-2003

OTHER CORPORATE LEADERSHIP ROLE

Board of Trustee - United Church of Christian
the Philippines, Magill Memorial, Lucena City

TRAININGS, SEMINARS AND OTHER EXPOSURES

2025

- Learning Session: Institutional Stock Investment 101, Feb. 26

2024

- Corporate Governance Scorecard For Insurance Companies
Workshop – April 23 & 24

2023

- National Microinsurance Forum "Sustainable and Inclusive
Finance for Climate Resiliency" - January 23

2022

- ACGS Workshop for Insurance Companies – June 21
- Management Forum: "Improving Regulatory Compliance and
Operating Systems" – Aug. 24-26

DUTIES AND RESPONSIBILITIES OF THE BOARD OF TRUSTEES



The Board of Trustees of CARE MBA, Inc. plays a crucial role in the governance and strategic direction of the association. Their primary duty is to ensure that the association fulfills its mission while maintaining transparency, accountability and sustainability as fully disclosed in our Corporate Governance Manual. Among the board's key duties are to provide strategic direction and establish CARE MBA's vision, mission and long term goals. To ensure good governance they must develop and approve policies that confirm compliance with laws, regulations and by-laws of the association.

Trustees are primarily responsible for approving and overseeing the implementation of the Associations' policies and procedures, action plans corporate governance and corporate values. They are also responsible in overseeing the performance of senior management towards attainment of the Association's short and long-term strategic objectives.

CONTINUING EDUCATION AND TRAINING OF THE BOARD OF TRUSTEES

Continuous education and training for the Board of Trustees are essential in strengthening their ability to effectively govern and guide the association. Through ongoing learning, trustees gain updated knowledge on governance principles, legal and regulatory requirements and financial oversight. This enables them to make informed and strategic decisions that align with the association's mission, vision and long-term goals.

Moreover, continuous training promotes accountability, transparency and professionalism and enhances collaboration among trustees, improves their understanding of their roles and responsibilities Well-trained trustees are also better equipped to identify risks, evaluate opportunities, and provide sound direction to management and the whole association.



AOA SEMINAR IN SEOUL, SOUTH KOREA



MI-MBA MANAGEMENT FORUM IN AKLAN PROVINCE

TRAININGS, SEMINARS AND WEBINARS ATTENDED BY THE BOARD OF TRUSTEES FOR 2025



Name of Seminars/Trainings	Facilitator	Date	Venue	Attendee/s
National Microinsurance Forum 2025: Partnership for Greater Financial Inclusion	MIMAP	Jan. 27, 2025	SMX Mall of Asia, Pasay, City	Criselda R. Abuel Atty. Joycee M. Sio Perseverando C. Fajardo Armiel A. Azul Paz L. Bobadilla
Learning Session: Institutional Stock Investment 101	MIMAP	Feb. 26, 2025	Zoom Videoconferencing	Lucilo G. Jimenez Gaudioso A. Lavadia
Mi-MBA Leadership Forum	MIMAP	Mar. 13, 2025	The Atrium, Enderun Colleges, McKinley Hill, Fort Bonifacio, Taguig City.	Criselda R. Abuel Perseverando C. Fajardo Mary Juliet D. R. Labitigan Paz Bobadilla
Newly Elected Board of Trustees and ELECOM On-Boarding	CARE MBA, Inc	Jun 26, 2025	CARE office, Lucena City	Isagani H. Matibag Renato L. Obeña Paz L. Bobadilla
Management Forum: Drive. Thrive. Transform	MIMAP	Aug. 27 – 29, 2025	Marzon Convention Center, Kalibo, Aklan	Armiel A. Azul
Learning Session, RE: Investment	MIMAP	Sept. 19, 2025	Zoom Videoconferencing	Armiel A. Azul
ICMIF Sustainable Summit 2025 London, England	ICMIF	Nov. 04 & 05, 2025 5:00pm – 11:00pm	Microsoft Teams Videoconferencing	Atty. Joycee M. Sio
Building Community Resilience through Mutual Microinsurance	ICMIF	Nov. 06, 2025 10:00pm-11:00pm	Microsoft Teams Videoconferencing	Paz L. Bobadilla
Financial Literacy Training	MIMAP	Nov. 17, 2025	St. Jude Coop Hotel & Event Center, Tayabas City	Atty. Joycee M. Sio

REGULAR BOARD OF TRUSTEES MEETINGS AND ATTENDANCE



In 2025, the Board of Trustees of CARE MBA, Inc. conducted a total of fourteen (14) meetings, including the Annual General Meeting (AGM) held on May 30, 2025, which was immediately followed by the Organizational Meeting. The meetings held throughout the year were conducted through a combination of face-to-face sessions and virtual conferences via Zoom. The in-person meetings were held at the Board Room of CARE MBA, Inc., located at 39 Ilang-ilang St., Zaballero Subdivision, Brgy. Gulang-gulang, Lucena City.

To fulfill the duties of the Board of Trustees, they must regularly attend the scheduled meeting every month. Attending regular Board of Trustees meetings is essential to ensure effective governance and proper oversight of the association. These meetings provide trustees with the opportunity to review reports, discuss important issues, and make informed decisions regarding policies, programs, and financial matters. Active participation allows board members to stay updated on the association's performance, enabling them to fulfill their responsibilities in guiding and supporting CARE MBA, Inc.

Trustee	Designation	Annual Meeting	Regular Meeting
Atty. Joyce M. Sio	President	☑	100%
Mr. Armiel A. Azul	Vice-President	☑	93%
Mr. Perseverando C. Fajardo	Treasurer	☑	100%
Mr. Lucilo G. Jimenez	Trustee	☑	100%
Mr. Isagani H. Matibag	Trustee	☑	86%
Mr. Gaudioso A. Lavadia	Independent Trustee	☑	100%
Mrs. Mary Juliet D. R. Labitigan	Independent Trustee	☑	100%

COMMITTEES OF THE BOARD OF TRUSTEES

The Board of Trustees established Committees that play an essential role in strengthening governance and improving the effectiveness of the board's work. Through committees, specific areas such as audit, governance, human resource and membership development can be carefully reviewed and monitored. This allows trustees to focus on particular responsibilities and study important matters in greater detail before presenting recommendations to the board. As a result, the board is able to make more informed, transparent and responsible decisions within the association.

next page are the committee reports for year 2025.



ELECTION COMMITTEE

Mandate

The Election Committee is composed of at least three (3) members elected during the Annual General Meeting, possessing all the qualifications and none of the disqualifications for the members of the Board of Trustees. They review and evaluate the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board of Trustees. The Election Committee is hereby-vested sole authority to conduct and supervise the elections for the members of the Board of Trustees and other officers and proclaim the winners that were canvassed by the Internal Auditor of the association.

Meetings Held

The committee convened three (3) meetings with the following key resolutions and recommendations:

Key Agenda	Key Resolutions and Recommendations
Review of Terms of Reference and Approval of Election Guidelines	The Terms of Reference for the newly elected Election Committee members were discussed to ensure their understanding of their duties and responsibilities. The committee subsequently reviewed and approved the Election Guidelines, which will serve as the basis for the proper selection of qualified candidates of the association.
Recapitulation of BOT and Board of Trustees' Term	The Committee recapped the terms of office of the Board of Trustees and the Election Committee up to the year 2025. Based on the review, the following vacant positions were identified: <ul style="list-style-type: none"> • 2 Board of Trustees • 1 Election Committee
Election 2025	<p>The committee identified the qualified partners to nominate/send candidate for the Election 2025 based on Membership enrolled for year 2024 as follows:</p> <p>Qualified Partners to Send Candidates</p> <p>◆ For Board of Trustee</p> <ol style="list-style-type: none"> 1. KUMARE, Inc. 2. Lopez Quezon MPC 3. PEARLS MPC 4. Ating Koop MPC 5. QPGOE MPC 6. NEMCO 7. Cagsiy 1 MPC 8. Cawayan II MPC 9. Lucena Development MPC 10. Gumaca MSK MPC <p>◆ For Election Committee</p> <ol style="list-style-type: none"> 1. St. Jude MPC 2. RHUDARDA MPC 3. KUMARE, Inc. 4. PEARLS MPC 5. Ating Koop MPC 6. NEMCO 8. Cagsiy 1 MPC 8. Cawayan II MPC 9. Lucena Development MPC 10. Gumaca MSK MPC <p>The Committee unanimously agreed that April 15, 2025, will be the deadline for the nomination of candidates.</p>

Committee Members	Designation	No. of Meetings	Meetings Attended	Percentage
Sedfrey R. Potestades	Chairperson	3	3	100%
Engr. Sonia J. Mayuga	Vice-Chairperson	3	2	66%
Edenel F. Vasquez	Secretary	3	3	100%



The Election Committee convened for a productive meeting focused on the screening of qualified candidates for the Board of Trustees and the Election Committee in preparation for the upcoming General Assembly Meeting. The session was efficiently facilitated by Election Committee Chairperson Sedfrey R. Potestades, ensuring a thorough and transparent review process in line with the organization's standards.

CORPORATE GOVERNANCE COMMITTEE

Mandate

The Corporate Governance Committee is composed of five (5) members, including its Chairperson, who is an Independent Trustee. The Committee provides oversight on all matters related to Board policies concerning the nomination, training, and performance evaluation of Trustees. Moreover, it oversees the policy guidelines governing the Association's membership, ensuring compliance with government requirements, applicable regulations, and the principles of good corporate governance, as well as the smooth functioning of the association.

Meetings Held

The committee convened four (4) meetings with the following key resolutions and recommendations:

Key Agenda	Key Resolutions and Recommendations												
Review of Draft Policy on the Utilization of Fund Assigned for Education and Training	<p>The Committee reviewed the Policy on the Utilization of the Fund Assigned for Education and Training, which stipulates that the fund shall be allocated based on the following distribution:</p> <table border="1"> <thead> <tr> <th>Items</th> <th>Weight</th> </tr> </thead> <tbody> <tr> <td>Training and Education Materials</td> <td>5%</td> </tr> <tr> <td>Coop Visitation</td> <td>15%</td> </tr> <tr> <td>Training Mobilization</td> <td>30%</td> </tr> <tr> <td>Training Equipment and Facilities</td> <td>50%</td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </tbody> </table> <p>The Committee also suggested incorporating a Glossary of Terms into the policy to improve its clarity and readability.</p>	Items	Weight	Training and Education Materials	5%	Coop Visitation	15%	Training Mobilization	30%	Training Equipment and Facilities	50%	Total	100%
Items	Weight												
Training and Education Materials	5%												
Coop Visitation	15%												
Training Mobilization	30%												
Training Equipment and Facilities	50%												
Total	100%												
Review and Approval of CARE MBA Raffle Bonanza	The Corporate Governance Committee thoroughly reviewed and approved the Policy on the CARE MBA Raffle Bonanza as presented by Management. This program, initially pioneered by one of the Association's cooperative partners, was also launched during the 42nd Founding Anniversary celebration of Lopez Quezon MPC held on August 16, 2025. The primary objective of this program is to assist CARE MBA, Inc. in achieving higher collections, greater product awareness, improved customer engagement, increased membership, and the reactivation of lapsed members through a strategic and results-oriented marketing initiative.												
Review and Approval of the Amendment of Policy on Calamity Financial Assistance	The committee thoroughly reviewed and approved the proposed amendment to the Policy on Calamity Financial Assistance, which includes updates aimed at enhancing the accessibility and effectiveness of the financial aid process. These amendments are designed to better address the immediate needs of affected members and non-members at the distribution of financial assistance or relief goods during calamities, ensuring a quicker and more efficient response in times of crisis.												
<ul style="list-style-type: none"> Presentation of Policies Top Contributors for New Members on BLIP Top Membership Retention in BLIP 	The Corporate Governance Committee reviewed and approved the Policy on Top Contributors for New Members on BLIP and the Policy on Top Membership Retention in BLIP. Although these awards are presented at every Annual General Meeting, the written policies will provide formal guidelines for their administration, documentation and future reference.												
Performance Evaluation of Committee Members and Board of Trustees	The Committee thoroughly reviewed and evaluated the performance evaluation results of the Board of Trustees for the year 2025. The Committee has assigned the management to provide specific indicators or explanations for any ratings below 100%, so that the Board can better understand the context of each question during the evaluation.												
Review and Approval of the Generic Memorandum of Agreement for Partners	The Committee approved the Generic Memorandum of Agreement (MOA) for Partners. Atty. Joycee M. Sio was tasked with finalizing the MOA. Once finalized, all new partners will be required to sign and accept the MOA, including existing partners who have not yet signed it.												
Approval of Activities by Partners	<p>Management presented two proposals outlining the activities, incentives and budget for:</p> <ul style="list-style-type: none"> Cooperative Coordinators Municipal Coordinators <p>These policies are scheduled for implementation in 2026 with the objectives of increasing the number of new members and empowering the coordinators. The coordinators will also receive appropriate training, seminars, and workshops to prepare them to effectively represent the association within their respective municipalities and areas.</p>												

Committee Members	Designation	No. of Meetings	Meetings Attended	Percentage
Mary Juliet D. R. Labitigan	Chairperson, Independent Trustee	4	4	100%
Atty. Joycee M. Sio	Member	4	3	75%
Armiel A. Azul	Member	4	3	75%
Erlene E. Barandino	Member	4	4	100%
Sedfrey R. Potestades	Member	4	4	100%



AUDIT AND RELATED PARTY TRANSACTIONS COMMITTEE



Mandate

The Audit Committee is composed of five (5) members, including its Chairperson, who is an Independent Trustee. The Committee provides independent assurance to the Board and Management of CARE MBA, Inc. It is responsible for establishing internal control and review policies, developing risk assessments and formulating the audit plan.

Due to the limited number of Independent Trustees in the association, the Related Party Transaction Committee is composed of the same members as the Audit Committee, consisting of five (5) members, including its Chairperson, who is an Independent Trustee. Their meetings are conducted jointly. The Committee is authorized by the Board to consider, review, evaluate, and provide oversight on any Related Party Transactions, whether upon becoming aware of them or being referred such transactions or proposed transactions of CARE MBA, Inc.

Key Agenda	Key Resolutions and Recommendations																		
Audit Committee																			
External Auditor's Audit Recommendation for Year 2024	The Audit Committee reviewed and assessed the findings and recommendations presented by the External Auditor regarding the 2024 audit. The Committee agreed that management will implement the corrective actions identified in the audit findings to ensure full compliance.																		
Updates on IFRS 17 (<i>Gross Premium Valuation</i>)	<p>The Audit Committee assessed and approved the report of General Manager Mendones regarding updates on IFRS 17 (<i>Gross Premium Valuation</i>) as follows:</p> <ul style="list-style-type: none"> • The Insurance Commission has deferred the implementation of IFRS 17 until 2030. • A comprehensive cost-benefit analysis study will be conducted. • The results of the study were presented to the Financial and Sustainability Standard Council. • The MI-MBA Summary of Financial Information was shared. • Kasagana Ka MBA was selected, and several learning sessions were conducted during IFRS training. • An MIS Audit toolkit has been developed. • The Insurance Commission, in collaboration with the Actuary, has agreed to transition to Level 1 and adopt Gross Premium Valuation (GPV). • GPV will be implemented across all MBAs by the MIS, Accounting, and Actuary teams, with CARE MBA, Inc. selected as a model MBA. • Parallel Run of Gross Premium Valuation is scheduled for submission in October 2025. <p>The breakdown of fees for Gross Premium Valuation is as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Item</th> <th>Fee (PHP)</th> </tr> </thead> <tbody> <tr> <td>BLIP</td> <td>10,000.00</td> </tr> <tr> <td>CLIP – 1 year and below</td> <td>10,000.00</td> </tr> <tr> <td>CLIP – 1 year and above</td> <td>20,000.00</td> </tr> <tr> <td>GLIP Basic</td> <td>20,000.00</td> </tr> <tr> <td>GLIP Optional</td> <td>20,000.00</td> </tr> <tr> <td>HAPI</td> <td>10,000.00</td> </tr> <tr> <td>Claims Optional</td> <td>10,000.00</td> </tr> <tr> <td>Total</td> <td>100,000.00</td> </tr> </tbody> </table>	Item	Fee (PHP)	BLIP	10,000.00	CLIP – 1 year and below	10,000.00	CLIP – 1 year and above	20,000.00	GLIP Basic	20,000.00	GLIP Optional	20,000.00	HAPI	10,000.00	Claims Optional	10,000.00	Total	100,000.00
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HAPI	10,000.00																		
Claims Optional	10,000.00																		
Total	100,000.00																		
Approval of Assets Useful Life Policy	The Committee reviewed and approved the Assets Useful Life Policy, which was developed by the Accounting Unit. The policy will serve as a guide for the proper recording, depreciation and management of the association's assets																		
Approval of Amendment of Document Retention Policy	The Committee reviewed and approved the existing Document Retention Policy. The policy will ensure proper maintenance, accessibility and secure disposal of the association's records in accordance with regulatory requirements and good governance practices.																		
Approval of 2026 Budget	The Committee analyzed, reviewed, and approved the 2026 budget as presented by Management. The approved budget will serve as the financial plan to guide the association's operations and programs throughout the year.																		

AUDIT AND RELATED PARTY TRANSACTIONS COMMITTEE



Key Agenda	Key Resolutions and Recommendations
Related Party Transactions Committee	
Updates on Withholding Tax on Interest	The Related Party Transactions Committee Members reviewed updates on withholding tax on interest as follows: <ul style="list-style-type: none"> · All new investments, regardless of term, are now subject to a flat withholding tax rate of 20%, in accordance with the Capital Markets Efficiency Promotion Act (CMEPA). · Investments made before July 1, 2025, will continue to enjoy the preferential tax rate on interest earned until maturity, as confirmed by the Department of Finance. The Committee took note of these updates and advised management to ensure that all future investments comply with the applicable tax regulations.
Approval of Audit Engagement with Quilab & Garsuta CPAs	The Committee recommended renewing the audit engagement with Quilab and Garsuta CPAs at a professional fee of ₱85,000, plus out-of-pocket expenses. The renewal aims to ensure the continued provision of independent audit services of CARE MBA, Inc.
Review of all Material Related Party Transactions	The Committee reviewed all Material Related Party Transactions (RPTs) between CARE MBA, Inc. and its related parties to assess and examine every transaction are transparent and in compliance with regulatory requirements
Building Construction and Improvement	The committee continuously monitors the progress of building construction and improvements to ensure that the projects are completed according to the set targets. It also coordinates with the concerned offices and contractors to address issues and ensure that the work is carried out efficiently and according to plan.

Committee Members	Designation	No. of Meetings	Meetings Attended	Percentage
Gaudioso A. Lavadia	Chairperson, Independent	4	4	100%
Lucilo G. Jimenez	Member	4	4	100%
Perseverando C. Fajardo	Member	4	4	100%
Paz L. Bobadilla, CPA	Member	4	4	100%
Dominador S. Tamayo, CPA	Member	4	4	100%



Audit and Related Party Transactions Committee Members
 Chairman - Gaudioso Lavadia
 Members
 Paz Bobadilla
 Lucilo Jimenez
 Dominador S. Tamayo

BOARD RISK OVERSIGHT COMMITTEE



Mandate

The Board Risk Oversight Committee is composed of five (5) members, including its Chairperson, who is an Independent Trustee. The committee is responsible for defining CARE MBA's level of risk tolerance and providing oversight over its risk management policies and procedures to anticipate, minimize, control, or manage risks or possible threats to the Association's operational and financial viability. It also regularly reviews risk exposures and recommends appropriate strategies to ensure that effective risk management practices are consistently implemented across the association.

<u>Key Agenda</u>	Key Resolutions and Recommendations
Review and Approval of Terms of Reference	The Terms of Reference of the Board Risk Oversight Committee are reviewed, analyzed and approved especially by newly appointed Committee members, to validate and strengthen their understanding of their roles, duties and responsibilities.
Theme for 15th Annual General Meeting	The Board Risk Oversight Committee conducted a brainstorming session on the proposed themes for the upcoming 15th Annual General Meeting and came up with the following three options: <ul style="list-style-type: none"> ▪ Partnership for Progress through Microinsurance ▪ Stronger Together: Building an Inclusive Future through Microinsurance ▪ Building Stronger Partnerships through Microinsurance After thorough deliberation, the Committee selected the last theme, "Building Stronger Partnerships through Microinsurance," as the official theme for the 2025 Annual General Meeting.
Registration Renewal of AMLA	The committee was notified that the Association successfully renewed its Anti-Money Laundering Council (AMLC) Certificate on November 25, 2024, as mandated under Republic Act No. 9160. This renewal confirms the Association's continued compliance with the requirements of the Anti-Money Laundering Act and its commitment to maintaining transparency and accountability in its operations.
Review and Recommendation of 2025 Risk Registry with Medium to High Probability and Impact	The Board Risk Oversight Committee reviewed and analyzed the 2025 Risk Registry, focusing on risks with medium to high probability and impact. The Committee provided additional recommendations, beyond the actions already undertaken by management, to further mitigate the identified risks. It also assessed the classification of these risks in terms of probability and impact to determine whether they should remain in the same category or be elevated to a higher risk ranking.
Review of the association's mission and vision	The committee reviewed the association's mission and vision to determine whether they should be revised or maintained. Upon thorough discussion, the committee members unanimously agreed to retain them because they still align with CARE MBA's core values. The committee also emphasized that the current mission and vision continue to effectively guide the Association's strategic direction and organizational goals.

Committee Members	Designation	No. of Meetings	Meetings Attended	Percentage
Gaudioso A. Lavadia	Chairperson, Independent Trustee	3	3	100%
Atty. Joycee M. Sio	Member	3	3	100%
Armiel A. Azul	Member	3	2	66%
Perseverando C. Fajardo	Member	3	3	100%
Isagani H. Matibag	Member	3	3	100%

REMUNERATION COMMITTEE



Mandate

The Remuneration Committee is composed of four (4) members, and its Chairperson is the President of the Association. The Committee functions as the Human Resources body of CARE MBA, Inc., primarily responsible for evaluating and planning the Association's compensation position relative to other organizations. It is tasked with setting and delegating responsibilities related to the remuneration of all executive officers and staff. The Committee also recommends and monitors the level and structure of salaries, including the compensation and benefits of senior management.

Key Agenda	Key Resolutions and Recommendations
Contract of Service (COS) of Mrs. Pelagia C. Mendones as General Manager	In view that GM Mendones renews COS annually, by virtue of a board resolution, which is then confirmed by the members during Annual General Meeting (AGM), the Committee members were in agreement that the one-year term coincides the calendar year, instead of every end of May, after the AGM. For this year 2025, the COS of GM Mendones will be terminated on December 31, 2025 and will be renewed for the one-year period the following year, from January 1 to December 31, 2026.
DOLE Wage Order IVA-21-	DOLE mandates an increase of P60.00 per day, thereby setting the minimum wage from P540.00 to P600.00 per day effective October 5, 2025. Since this is mandatory to all minimum-wage earners, only one employee of CARE MBAI will be affected and therefore needs to be adjusted. However, upon computing for wage distortion, less than 3% increase will benefit all employees. The committee unanimously agreed to grant across the board increase effective October 1, 2025 following the computed salary distortion of less than 3% for the last quarter of 2025, which increase will not significantly affect expenses for the year. Then for next year, the new salaries will be included in the budget.
AOA Seminar 2025	AOA seminar for this year is in Seoul, South Korea on November 12-15. CARE MBAI may send 3 delegates at an estimated cost of about P89,000 per delegate, less free air-free of about P19,000 granted by AOA for the General Manager. Total estimated expenses for the 3 delegates is about P240,000.00. The committee unanimously agreed to send three delegates, namely, (1) Pelagia C. Mendones, General Manager; (2) Marianne C. Castro, Cashier/Training and Marketing Officer, and (3) Erlene E. Barandino, Corporate Secretary, to AOA Seminar 2025 in Seoul, South Korea on November 12-15, 2025, with a budget of P240,000.00 plus other incidental expenses for processing travel papers of the participants.
ICMIF Sustainable Summit 2025	The Summit will be conducted in a hybrid format in London on November 4-5, 2025. The Committee has selected two participants from CARE MBA, Inc., namely: § Atty. Joycee M. Sio – BOT President § Ma. Lourdes E. Quesa, Admin and Operations Manager They will be registered to participate in the Hybrid ICMIF Sustainable Investment Summit 2025 and will attend the event online
Members Benefit (<i>Equity Enhancement</i>)	IC approved allocation of members benefit on top of interests earned on equity value, thus the term ' <i>equity enhancement</i> '. (Per confirmation with IC this will also fall under Members Benefit). The Committee approved the recommendation of the Management
Status of CARE MBAI Scholarship Program	Available slots are now open for new scholars since 11 already graduated while 4 scholars did not meet the terms and conditions under the Scholarship Policy. For SY2026-2027 CARE MBAI will be able to accommodate 10 qualified new scholars The acceptance of application for scholarship will be announced during the General Assembly of partner-cooperatives
Personal Accident Insurance (PAI) from 1CISP	The Management recommended to avail PAI from 1CISP for giveaway/to raffle during partner's coop general assembly The Committee approved the recommendation subject to execution of pertinent Memorandum of Agreement (MOA) with 1CISP
Hiring of a female full-time Utility Clerk and a male on-call Utility Clerk	The current set-up is that the female Utility Clerk is 'on call' and works for 2-3 hours only. However, considering that the new/renovated building of CARE MBAI is huge, the need for Utility Clerk/s now becomes a concern. The Management's recommendation is to hire a female full-time Utility Clerk and a male on-call Utility Clerk. This entails inclusion of plantilla position for Utility Clerk/s. For now, however, since the building construction is still ongoing, the Management recommended to have two (2) 'on-call' Utility Clerks The Committee posed no objection to include plantilla position for Utility Clerk/s for as long as it is properly set-up in the budget and selection is diligently undertaken. In the meantime, the Committee approved for hiring two (2) on-call Utility Clerks, preferably one (1) male and one (1) female

REMUNERATION COMMITTEE



Key Agenda	Key Resolutions and Recommendations
Contract of Service of Accounting Consultant	The Management recommended the retention of Mrs. Mary Panganiban as Accounting Consultant of CARE MBA, Inc. under a Contract of Service (COS) for one year, renewable annually, instead of a Memorandum of Understanding (MOU), which is valid only for a specified period within a year. For 2026, the proposed fee for the Accounting Consultant is P10,000.00 per month. The Committee approved Management's recommendation and instructed that the COS for the period January to December 2026 be drafted for review by Atty. Sio prior to execution by the parties.
Contract of Service of the Internal Auditor	The Management recommended the retention of Mrs. Melody Bringel as Internal Auditor of CARE MBA, Inc. also under a Contract of Service (COS) for one year, renewable annually. For 2026, the proposed fee for the Internal Auditor is P5,000.00 per quarter. The Committee approved Management's recommendation and instructed that the COS for 2026 be drafted for review by Independent Trustee Gaudioso A. Lavadia.
MIMAP Representatives	The Management recommended that the official delegates of CARE MBA, Inc. to the Annual General Meeting (AGM) of MIMAP 2026 are the following: 1. Pelagia C. Mendones 2. Atty. Joyce M. Sio 3. Ma. Lourdes E. Quesea Furthermore, it was agreed that Mrs. Ma. Lourdes E. Quesea will serve as the official representative with the authority to vote and be nominated during the AGM of MIMAP.

Committee Members	Designation	No. of Meetings	Meetings Attended	Percentage
Atty. Joyce M. Sio	Chairperson	3	3	100%
Paz L. Bobadilla	Member	3	2	66%
Erlene E. Barandino	Member	3	3	100%
Criselda R. Abuel	Member	3	3	100%



The Remuneration Committee met to evaluate and plan the Association's compensation position in comparison with other organizations, ensuring competitiveness and fairness. The Committee also reviewed and recommended salary structures, including compensation and benefits for senior management, while overseeing responsibilities related to executive and staff remuneration.



BOARD OF ADVISER



The Board of Advisers of CARE MBA, Inc. is composed of former Presidents and General Managers of the Association. The Board of Advisers provides timely and relevant guidance and support to the Board of Trustees and Management on matters related to both financial and operational concerns.

Currently, Mrs. Paz L. Bobadilla, CPA, who served as President from 2020 to 2022, is a member of the Board of Advisers. She is invited to attend regular Board meetings and may also serve as a member of the Association's committees when necessary.

The Board of Advisers is an appointed body selected by the Board of Trustees. Its role is to provide neutral insights and independent perspectives, contribute ideas for the improvement of the Association, and help monitor the overall performance of the organization.

COMMUNICATIONS AND TRAVEL EXPENSE REIMBURSEMENT OF THE BOARD OF TRUSTEES

The Association's Board of Trustees volunteers their time, resources and expertise for the furtherance of the mission and vision of the association. Officers and members of the Board are NOT entitled to any salary or remuneration.

To support the Board in fulfilling its role to formulate strategy and policy and ensuring monitoring and accountability, the Association provides communications and travel expense reimbursement for attending official Board and Committee meetings.

There was a combination of face-to-face and videoconferencing of meetings held on year 2025, listed below is the summary of total reimbursements of the board of trustees in their meetings attendance.

The General Manager of the association receives a monthly compensation of **PHP 61,427.00** based on the recommendation of the Remuneration Committee as approved by the Board of Trustees of CARE MBA, Inc.

Board of Trustees	Total Reimbursements
Atty. Joycee M. Sio	P23,000.00
Armiel A. Azul	P24,500.00
Perseverando C. Fajardo	P24,500.00
Lucilo G. Jimenez	P24,500.00
Isagani H. Matibag	P11,000.00
Gaudioso A. Lavadia	P24,500.00
Mary Juliet D. R. Labitigan	P24,500.00
Total	P156,500.00

A total of **Php 156,500.00** was disbursed in 2025 to cover Communications and Travel Expense Reimbursement of the Board of Trustees

PERFORMANCE EVALUATION OF THE BOARD OF TRUSTEES, COMMITTEE MEMBERS AND GENERAL MANAGER



To monitor and evaluate the performance of the Association, periodic assessments are conducted using appropriate performance evaluation and rating tools, such as the ASEAN Corporate Governance Scorecard, SEGURADO Rating, and other relevant evaluation frameworks. The Board of Trustees establishes an effective performance management framework. Performance is measured annually through a performance appraisal process that provides feedback on job performance and contributes to the professional development of employees.

The Board of Trustees and each of its respective committees conduct an annual performance evaluation and assessment to determine their compliance with the manual and to identify areas for improvement. The assessment is conducted annually, preferably in January. The results are reviewed by the Corporate Governance Committee, which reports the outcome to the Board of Trustees during its regular meeting.

The General Manager also conducts a self-assessment performance evaluation to measure her accomplishments. She is evaluated by the President of the Association, and the results are reported to the Board of Trustees.

Employees of CARE MBA, Inc. also perform an annual self-assessment. The General Manager is responsible for evaluating the performance of each employee.

OTHER CORPORATE GOVERNANCE UPDATES

Independent Trustees

The Board of Trustees of CARE MBA, Inc. is composed of seven. Five of whom are regular Board of Trustees and two are Independent Trustees. Mr. Gaudioso A. Lavadia and Mrs. Mary Juliet D. R. Labitigan are the Independent Trustees of the association. They have no business or other position held at any CAREMBA's partner organizations. Furthermore, they are not acting as nominee or representative of any director of the related institutions or any of its substantial stockholders of CARE MBA, Inc. He/she is a person who is not a beneficiary of the trust and is not related to the beneficiaries of the trust. Independent Trustees is essential in our association to strengthen good governance by ensuring objective and unbiased decision-making within the Board of Trustees. It also provides oversight that helps promote transparency, accountability, and fairness in the association's policies and operations. Since the independent trustee has no material relationship with the association or its management, they can help minimize conflicts of interest and ensure that decisions are made in the best interest of the members. Their presence also supports compliance with corporate governance standards and helps protect the welfare and resources of CARE MBA, Inc. and its members.

The Independent Trustees are elected by the majority of its members upon the nomination of the Election Committee of the Board of Trustees. They serve a term of three (3) years for a maximum of three (3) consecutive terms which make a cumulative term of nine (9) years. After which, the Independent Trustee shall be perpetually barred from serving as an Independent Trustee of CARE MBA, Inc.



Internal Auditor

CARE MBA, Inc. have an Internal Audit that evaluates the association's internal controls, including its corporate governance and accounting processes.

Mrs. Melody L. Bringel is the Internal Auditor appointed by the Board of Trustees. Her service adds value and improvement in the association and helps CARE MBA, Inc. to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. She reports directly to the Board of Trustees.

The Internal Auditor of CARE MBA, Inc. will provide an objective assurance on risk management, governance and internal control processes of the Association with the following duties and responsibilities:

- Guarantees compliance with established internal control procedures by examining records, reports, operating practices, and documentation of CARE MBA, Inc.
- Checks assets and liabilities by comparing items to documentation.
- Evaluates information security and associated risk exposures.
- Assess regulatory compliance program with consultation from the Audit Committee
- Evaluate the organization's readiness in case of business interruption;
- Contributes to team effort by accomplishing related results as needed;
- Responsible to maintain open communication with management and the Audit Committee
- Determine sufficiency of internal controls
- Determine the physical existence of assets, investments and proper accounting over such assets
- Determine that the activities of CARE MBA, Inc. are consistent with its purpose as established under its Articles of Incorporation and By-Laws
- Give support to CARE MBA, Inc.'s anti-fraud programs
- Recommends policies to be included in the Accounting Manual



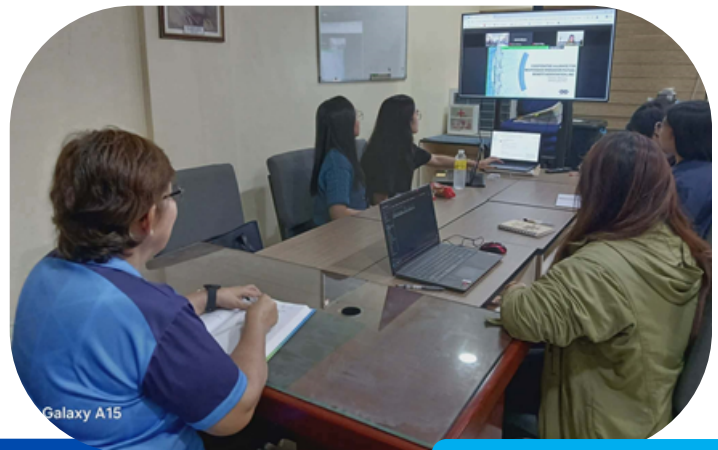
EXTERNAL AUDITOR

CARE MBA, Inc.'s external auditor performs an audit, in accordance with specific laws or rules, of the financial statements of the Association. The Association is in compliance with Insurance Commission Circular No. 29-2009 dated November 10, 2009 in the selection of external auditor.

- Only external auditors accredited by Insurance Commission are being engaged;
- The external auditor shall be changed or the lead and concurring partner shall be rotated every five years or earlier;
- No external auditor may be engaged if he or any member of his immediate family had or has committed to acquire any direct or indirect financial interest;
- The external auditor and the members of the audit team do not have any claim with the Association;
- The external auditor is not currently engaged nor was engaged during the preceding year in providing the following services to the Association;
- External audit functions;
- Information systems design, implementation and assessment;
- Other services which could affect his independence;

The External Auditor is recommended by the Chairperson of the Audit Committee during the Annual General Meeting and was ratified by the representatives/members. The association enter into Audit Engagement with Quilab and Garsuta, CPA's (Q&G, CPA's) for the conduct of external audit and preparation of the Audited Financial Reports of CARE MBA, Inc. for the year 2025. Other reasons for recommending Q&G, CPA's are as follows: they are accredited by the Insurance Commission (IC) and they are able to submit pertinent reports to Insurance Commission and the Securities and Exchange Commission on time.

Quilab and Garsuta CPAs did not performed any non-audit services for CARE MBA, Inc. and no non-audit fees were paid.



Risk Assessment and Mitigation

The Board Risk Oversight Committee is responsible in the management of identified risks of the Association and must continuously monitor the risks and ensure that the internal controls are being established. They have the following duties and responsibilities in risk assessment and mitigation:

- Monitors and evaluates the internal control environment which focuses on the identified internal and external risks of the Association.
- Regular review of the risk management activities
- Controls and manages threats to its operational and financial viability
- Present periodic risk report to the Board of Trustees
- Continuously upgrading the risk management policy and strategy for Board of Trustees' approval

Risk Identification

1. **External Risks** – External risks are uncontrollable and unexpected to happen like natural disasters, economic risks and political risks. It is beyond the control of the Association.

2. **Internal Risks**- Internal risks are faced by the Association from within its organization and arise during its normal operations. CARE MBA categorized its internal risks into people, process and system. These risks are manageable and beyond the control of the Association.

The table below presents the identified risks for the year 2025 and the corresponding strategies implemented to mitigate them.

Risk/s	Classification		Indicators	Specific Strategies
	Probability (L-M-H)	Impact (L-M-H)		
A. INTERNAL RISKS				
• PEOPLE				
1. The possibility of staff infected by COVID-19 that will affect the expansion to other provinces	Low	Low	· Number of symptomatic or asymptomatic staff	Regular disinfection of office Implement online banking transactions to avoid exposures and walk in to banks Ready the work from home policy in case of COVID infection
2. The possibility that a staff will have an illness or surgery that will cause him/her to suddenly take indefinite sick leave	Low	Medium	· Number of staffs with possible illness	Annual physical check-up Encourage staff to consult a doctor immediately if there are symptoms to prevent the illness from worsening
3. The possibility of sudden staff resignation that will affect the general operations of CARE MBA, Inc.	Low	Medium	· Number of sudden staff resignation	Encourage and motivate staff to stay in the association by providing them with monetary as well as non-monetary benefits. Involve them in educational development through trainings and workshops shouldered by the association.
4. The possibility of lack of available leader/s with readiness to handle the responsibilities that will affect the over-all governance, management, and operations of the MBAS	Medium	High	· Non-participation of new breed but capable and qualified leaders in the election during AGM.	Search for highly qualified Board of Trustees to be elected during CARE MBA's Annual General Meeting. Establish and maintain excellent working relationship and partnership with the officers of our partners. Meet and greet the new elected Board of Trustees and Board of Directors of partners. Conduct microinsurance awareness
• PROCESS				
5. The possibility of lapsation will increase that will affect members retention	Medium	High	· Number of members with at least two months lapsed on contribution	Strengthen tie up with partners and its coordinators Visit the area of partners to feel our presence E-kumustahan via zoom videoconferencing if face to face meetings are not possible

Risk/s	Classification		Indicators	Specific Strategies
	Probability (L-M-H)	Impact (L-M-H)		
• PROCESS				
5. The possibility of lapsation will increase that will affect members retention	Medium	High	<ul style="list-style-type: none"> Number of members with at least two months lapsed on contribution Amount of unpaid contribution Number of members without channel for payment 	Create a member-engagement programs Implementation of care mobile app Provide CARE MBA video presentation and other IEC materials for recruitment Promote electronic payments (G-cash, Paymaya, Smart Padala) Proposed a joint project with partners Conduct “Balik Microinsurance Program”
6. The possibility of data loss that will affect the general operation of the MBA	Low	Medium	<ul style="list-style-type: none"> Corruption of files Files Hacking 	Daily back-up of files in the external hard drive Proper monitoring of data
7. The possibility of huge number of member’s resignations due withdrawal of equity value that will affect membership and retention	Medium	Medium	<ul style="list-style-type: none"> Significant number of members withdrawn their equity value Amount of refunded equity value Significant percentage of members’ withdrawal 	Balik-MBA program: 1. annual assessment of partnership between MBA and partners 2. retooling of MBA coordinators and cascading to cooperative partner program implementor 3. produce IEC materials Microinsurance Corner in branches (standee, brochures, flyers)
8. The possibility that Mobile App will not be implemented (Unused Mobile App)	Medium	High	<ul style="list-style-type: none"> Number of partners trained but doesn’t use the mobile app Not user friendly Data are not accurate Unusable without internet/signal Delayed in receiving One-time-pin 	Need someone that will focus with the app Continuous use of mobile app to know and learn the improvements Constant testing of the app Need to have a fast resolve/solution from KEZAR The data must be tallied with system (MIS) and KEZAR
B. EXTERNAL RISKS				
1. The possibility of disengagement of partner cooperative due to changes in leadership that will affect the membership	Medium	High	<ul style="list-style-type: none"> Number of coop partners that disengage Number of partners with new general manager Number of partners with new set of board 	Annual review of partnership agreement SOP: courtesy call to the new leaders of partner Monitoring of partner’s election Include in partnership agreement the participation of MBA to the AGM.
2. The possibility of cooperative dissolution due to non-compliant to regulatory body	Low	Medium	<ul style="list-style-type: none"> Sudden dissolution of partner coop 	Create internal arrangement with partner regarding members’ concerns Continuous accommodation of members if they want to keep up with their insurance Conduct microinsurance awareness to members that will stay in the association
3. Possibility of natural catastrophe and man-made disasters may happen	High	Medium	<ul style="list-style-type: none"> Claims Ratio Degree of member’s data lost Range of damage to partner’s properties 	Work with MIMAP-DRRM Committee to replicate to MBA partners Secure data through cloud Develop an emergency evacuation plan Continuously search for insurance coverage for partners
4. Climate Change	Medium	High	<ul style="list-style-type: none"> Cancellation of scheduled events due to weather conditions Unpredictable weather conditions 	Online meetings should always be on the back-up plan Frequent zoom meetings with partners and on-line kumustahan Consider online banking so that partners will no longer need to walk-in to CARE MBA, Inc. office for payment of remittance

Risk/s	Classification		Indicators	Specific Strategies
	Probability (L-M-H)	Impact (L-M-H)		
5. Shortage or no water supply that will affect the sanitation of the office and employee's health	High	High	· Number of months with shortage or no water supply	Write a formal complain to Prime water To repair the tank or replace it with sensor or automatic water pump
6. Partnership with other reinsurance providers	High	High	· Denied Claims Ratio · Commercial/regular provider/s may direct to our partners · Extent of support from reinsurance partner for claims settlement	Monthly monitoring of policy renewal Send advisory to partners regarding complete reinsurance requirements Due diligence of reinsurer/partner
7. Appeal on Tax Exemption	Low	Medium	· Denial of Tax exemption to all MBA's	Participate in dialogue through MIMAP-RIMANSI with BIR and lawmakers Must have a reserve funds for possible tax liabilities until official exemption ruling is granted
8. IFRS 17	High	High	· IC Circular for Implementation of IFRS 17	Attend IFRS 17 Masterclass Continue participation in regular policy dialogue through MIMAP-RIMANSI Continuously study the IFRS 17 and develop transition plan if ever exemption is denied Budget for IFRS 17

RISK RESPONSE / TREATMENT

The Association's risk response planning is to develop options and determine actions to enhance opportunities and reduce threats in and out of CARE MBA, Inc. It includes the identification and assignment of individuals or parties to take responsibility for each agreed risk response as follows:

1. Tolerate – This action is chosen when risk is acceptable, control is impossible or cost of control surpasses the potential benefit. Contingency plan is a must to handle any potential impact.

2. Transfer – Transferring threats is an option that works well for risks to asset risks by paying a third party. Contractually transfer the risk and loss of exposure to a third party. (e. g. reinsurance providers).

3. Reduce - There are methods to reduce or mitigate risks. This can include deploying of additional resources (e. g. people, process, technology, system etc.) setting up new or revising existing control measures, streamline operations and improving employees' skills and knowledge.

4. Avoidance – Avoiding risks may be the easiest action to mitigate threats. Eliminate the risks altogether by eradicating the cause of the risk event. This can be done by foregoing certain strategies or terminating activities that jeopardize the operations of the Association. But sometimes, avoiding risks also means avoiding possible gains.

Financial Performance Indicators

Financial Performance Indicators serve as essential tools for measuring the effectiveness and sustainability of the Association's operations. In line with this, CARE MBA, Inc. remains committed to complying with the standards, financial policies, and administrative regulations set by the Insurance Commission. The Association adheres to the following financial guidelines:

- Administrative costs, or overall operational expenses, shall be less than or equal to 15% of the Association's total gross revenue.
- The solvency ratio must be more than 120%.
- A high ratio must be maintained under the Risk-Based Capital (RBC) framework.
- The claims ratio must be less than 30%.
- Liquidity, defined as the ability to promptly meet liabilities, must be maintained below 100%.
- Equity value must be greater than or equal to 50%.

Non-Financial Performance Indicators

CALAMITY ASSISTANCE PROGRAM

The Calamity Assistance Program aims to assist CARE MBA's members who are affected by natural calamities and fortuitous events such as:

- Typhoon
- Flood
- Fire
- Earthquake
- Volcanic Eruption
- Landslide

Our Association provides cash assistance, relief goods, and immediate support to address the financial needs of members affected by such calamities.

This program reflects the Association's commitment to providing timely aid and social protection to its members during times of crisis. Through this initiative, CARE MBA, Inc. ensures that affected members receive immediate assistance to help them recover from losses and rebuild their livelihoods, thereby promoting resilience and solidarity within the membership.

SCHOLARSHIP PROGRAM

The Scholarship Program provides financial assistance, also known as "Extra Baon," to qualified students whose parent(s) are active members of CARE MBA, Inc. for at least two (2) years and who have three (3) children studying simultaneously. The program aims to support members in sustaining the educational needs of their children.

Under this program, Junior High School scholars receive P3,000.00, Senior High School scholars receive P4,000.00, and College scholars receive P10,000.00 per school year. This initiative reflects the Association's commitment to supporting the education and future development of its members' children.



Erwin J. Gliponeo
Licensed Professional Teacher



Chesca F. Luna
Industrial Engineer

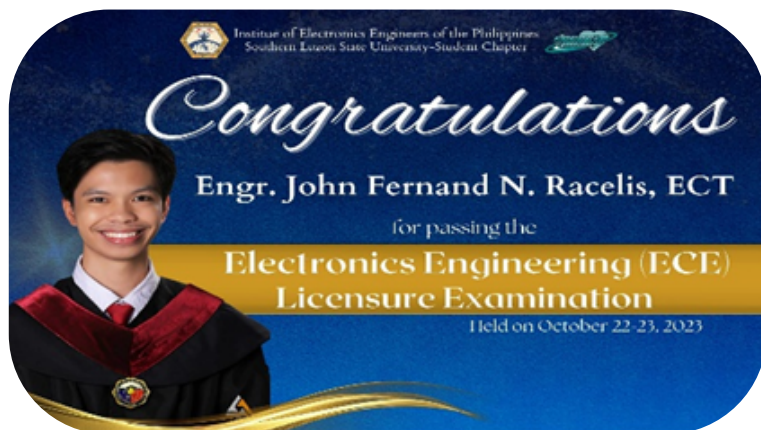
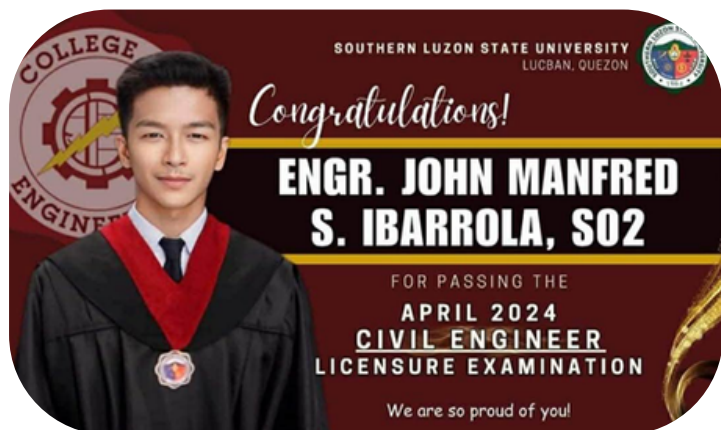


Reinne Rose P. Torres
Accountancy Graduate



Hans Christine P. Tibayan
Registered Criminologist

Since 2018, the program has supported a total of 35 scholars, 11 of whom have already graduated. Some of these graduates have successfully passed the licensure examinations in their respective fields. However, several scholars were unable to renew their scholarships, while others failed to maintain the required grades as stipulated in the policy. In addition, some members' children were disqualified from the program because their parents' contributions had lapsed for more than six months.



FREE MEMBERS' BENEFIT PROGRAM

Free Members' Benefit Program is CAREMBA's additional life insurance given to members in good standing (MIGS) with at least two years of membership. It covers a year of free insurance with P10,000.00 benefits and does not need any contribution from selected members. This program, is our generous way to pay back to our dear members for their unwavering support to To CARE MBA, Inc. since its foundation.

CATASTROPHIC INSURANCE

Another added benefit for our valued members is the Catastrophic Insurance. In times of fortuitous calamities (e.g., typhoon, flood, tsunami, fire, earthquake, or volcanic eruption) resulting in a minimum of 30 casualties per catastrophe, members are covered under this program. CAREMBA provides this coverage through reinsurance with the National Reinsurance Corporation of the Philippines at no cost to the members. The maximum benefit provided is P30,000.00 for the loss of life of a member and P15,000.00 for the loss of life of a dependent.

Policy on Dividends

CARE MBA, Inc. does not distribute dividends to its members since it is a non-stock, non-profit association. However, in accordance with the amended Insurance Code of the Philippines under Insurance Commission Circular Letter No. 2015-46 dated 8 September 2015, mutual benefit associations such as CARE MBA, Inc. may allocate the excess of their free and unassigned surplus to a Members' Benefits Fund. This fund may then be utilized to provide additional benefits to members through the following:

- a.) Increase guarantee fund in compliance with insurance Code (5% of contribution)
- b.) Refund of 50% of members contribution when they withdraw membership or termination value upon reaching exit age of 66 years old.
- c.) Giving of free insurance benefits through product reinsurance.
- d.) Financial assistance to member affected by calamities.
- e.) Scholarship Program for children of members in good standing

Policy on Related Party Transactions

Related Party Transaction is an agreement between two parties who hold a foregoing deal, business, undertaking, and transaction or with common interest. Related Parties shall refer to CARE MBA's affiliates, shareholders, stakeholders, members, Board of Trustees, Officers, other subsidiaries under common control and trusts for the benefit of employees.

Objectives

1. To ensure that RPT is consistent to CARE MBA's arm's length principle, Audit and Oversight Committee shall implement and monitor this policy.
2. Transactions between related parties commonly occur in the normal course of Association, examples such as:
 - a. Products and services, sales and purchases
 - b. Services received or furnished such as accounting, management and legal services
 - c. Maintenance of compensating bank balances for the benefit of a related party.

Implementation of Related Party Transactions

1. Disclosure of Related Party Transactions is important for it may affect the assessments of CARE MBA's operations and the entity's risks and opportunities.
2. The Related Party Transaction Committee shall review the RPT Policy annually and evaluate whether it fits the interest of our Association and its Stakeholders.
3. They will receive reports on transactions between the Association and its affiliates.
4. The Related Party Transaction Committee will order an investigation on documents of related party transactions
5. Finally, the said Committee will recommend to the Board of Trustees to take corrective measures for Related Party Transactions that will violate the Association's regulations.

The Related Party Transaction Committee has responsibilities in the following areas:

1. duty of good faith
2. duty to investigate and report to the Board of Directors on finding any related party transaction that is in violation of laws or regulations
3. duty to prepare minutes

Sustainability Report 2025

CARE MBA, Inc. remains committed to sustainable development by integrating responsible financial management, social welfare initiatives, environmental awareness and good governance practices into its operations. As a non-stock, non-profit mutual benefit association, the organization ensures that its programs create long-term value for members and their communities.

This Sustainability Report presents CARE MBA's key initiatives and accomplishments in 2025 based on four sustainability pillars: Economic, Environmental, Social and Governance (EESG).

Core Pillars	Key Initiatives
<p>Economic Sustainability CARE MBA, Inc. ensures the long-term sustainability of its programs through responsible financial management and strategic resource allocation. As a non-stock, non-profit organization, the association prioritizes financial stability to safeguard the benefits and services provided to its members.</p>	<ul style="list-style-type: none"> • Financial Stability The organization maintains prudent financial practices to ensure that members' contributions are managed efficiently and that sufficient reserves are available to meet benefit obligations. • Members' Benefits CARE MBA, Inc. allocates excess free and unassigned surplus to a Members' Benefits Fund, which is utilized to enhance programs and services for members. These may include additional free life insurance benefits, calamity assistance and scholarship program. • Risk Protection The association strengthens financial protection for its members by providing insurance coverage in the event of the loss of a family member. This support helps ease the financial burden during difficult times and ensures that members and their families receive timely assistance when it is most needed.
<p>Environmental Sustainability CARE MBA recognizes the importance of environmental responsibility and encourages environmentally conscious practices within its operations and programs.</p>	<ul style="list-style-type: none"> • Support During Environmental Disasters The organization provides Catastrophic Insurance coverage that assists members affected by natural disasters such as typhoons, floods, earthquakes, volcanic eruptions, and other environmental calamities. • Online Trainings, Workshops and Meetings CARE MBA, Inc. maximizes the use of online platforms such as Zoom, Google Meet, and Facebook Messenger to conduct trainings, workshops and meetings. By utilizing these digital communication tools, the association minimizes the need for travel and face-to-face gatherings when possible. This approach helps reduce fuel consumption and air pollution associated with transportation. Conducting meetings through video conferencing also saves travel time and allows participants to engage more efficiently while supporting environmentally responsible practices. • Digitalization The organization continues to adopt measures that reduce unnecessary resource consumption, including the use of digital documentation and encouraging partners to use of on-line payments for monthly contributions.
<p>Social Sustainability CARE MBA places strong emphasis on programs that promote social welfare, education, and community support for its members and their families.</p>	<ul style="list-style-type: none"> • Scholarship Program CARE MBA continues to invest in education through its scholarship program for members' children. Since 2018, the program has supported 35 scholars, with 11 graduates, some of whom have successfully passed licensure examinations in their respective fields. The scholarship program contributes to human capital development and supports the long-term socio-economic advancement of members' families • Calamity Assistance Program The association provides various forms of financial assistance in cash and in kind to those affected by calamities to ensure that members receive support during times of need. • Community and Partner Support CARE MBA, Inc. actively works to strengthen member solidarity by supporting programs of our community and partners like- medical mission, dental check-up, river clean-up, tree planting, Zumba like activities and brigade eskwela.
<p>Governance CARE MBA, Inc. upholds strong governance principles that ensure transparency, accountability, and ethical management of the association. The association operates under established policies and procedures that guide decision-making and protect the interests of its members.</p>	<ul style="list-style-type: none"> • Compliance with regulatory requirements governing mutual benefit associations • Transparent financial reporting and auditing • Responsible management of members' funds • Regular review of policies and operational procedures • Timely submission of reports • Strict attendance on monthly regular board of trustees meeting • Functional and performing committees

In 2025, CARE MBA, Inc. continued to uphold its commitment to sustainability by maintaining strong financial stewardship, supporting environmental resilience and enhancing social welfare programs for its members. By integrating economic responsibility, environmental awareness, and social development into its operations, CARE MBA ensures that its programs remain sustainable and beneficial for current and future members.

Anti-corruption Policy

CARE MBA, Inc. strictly enforces a “No-Gift Policy”. No-Gift Policy means that the Board of Trustees, Officers and Employees shall not solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan or anything of monetary value from any person in the course of their official duties or connection with any operations and transactions within the association so as not to compromise the integrity of its operations, improperly influence decision-making, avoid conflicts of interest, or any perception thereof as a result of giving and receiving gifts. This policy is upheld in all dealings with any member of the private or public sector. The Association understands that good governance is founded on full respect for the law as well as its own internal rules and regulations.

CARE MBA, Inc. deals with its Board of Trustees, Officers, Employees, Suppliers, Partners, Members and other parties at arm's length and with full transparency, in observance of established regulations and in recognition of either party's integrity.

All stakeholders, including employees, partners and members are free to communicate their concerns or complaints about illegal and/or unethical practices to the association’s Board of Trustees and Internal Auditor to guarantee that all concerns and complaints are handled in an objective manner and offenders will be investigated in a fair judgment and shall have a due process in accordance with the Code of Conduct and Ethics of the association.

Whistle-blowing Policy

Whistle blowing: In this policy “Whistleblowing” means the reporting by employees, partners and members of suspected misconduct, illegal acts or failure, wrongdoing, unethical activity, corruption, fraud, bullying or failure to act within the organization.

The aim of this policy is to encourage employees and others who have serious concerns about any aspect of work to come forward and voice their concerns.

The Whistle Blowing Policy Covers the following:

- Conduct which is an offense or a breach of law (e.g. Fraud, corruption or theft)
- Disclosures related to miscarriages of justice
- Damage to the environment (e.g. green issues)
- Verbal, sexual or physical abuse of employees or other unethical conduct/behavior
- Discrimination on grounds of sex, race or disability or religion
- Professional Misconduct
- Nepotism

Complaints Handling

Any misconduct behaviors (e. g. fraud, corruption, theft, abuse, inappropriate actions, and professional misconduct) within their Association, whistle blower can freely call and give information through our telephone number, 042-373-7789 or they can visit our office anytime located at 39 Ilang-ilang St., Zabalero Subd., Brgy. Gulang-gulang, Lucena City and look for

- Mrs. Pelagia C. Mendones-General Manager and or
- Mrs. Ma. Lourdes E. Quesa-Admin and Operations Manager.

Submission of complaints may be in confidence or anonymous. Proper validation of reports and maintaining the confidentiality of the whistle blower came after. Appropriate action from our Association will follow if the complaint is validated.

Social Responsibility to the Community

Social Responsibility to the Community refers to strategies that engage in Association's corporate governance that are ethical, societally friendly, and beneficial to its community and members. CARE MBA has a firm commitment to being socially responsible and accountable to itself, members and the public

Objectives:

1. To create awareness about CARE MBA and build its good profile in the community.
2. To give back in the community the good positive way, in return to the resources.
3. To support various campaign on social, community and development issue.
4. To promote CARE MBA, Inc. its products and services by participating in different social and community activities.

CARE MBA is committed in participating on different activities that involve in social, environmental, and community development. Activities such as:

1. Tree planting
2. Coastal Clean Up
3. River Clean Up
4. Medical and Dental Mission
5. Feeding program
6. Volunteering in the Community
 - Assists in Seminars as Resource Speaker – Financial Literacy Relief and Rescue Operation
7. Active participation in Inter NGO / Government Social Activities
 - Committee on Migration and Development
 - Regional Cooperative Development Council
 - Provincial Cooperative Development Council
 - City Cooperative Development Council
 - ATIKHA Foundation (OFW)
8. Gift giving
9. Zumba
10. Fun Run
11. Brigada Eskwela



16th Anniversary Zumba Activity



Gift Giving Activity



2025 BRIGADA ESKWELA

Policy on Members' Benefits

Objectives:

- To increase members' retention & loyalty
- To provide additional value to membership
- To help our Association achieve its objectives

CARE MBA, Inc. does not declare dividends to members, however pursuant to Circular letter Number 2015-46 dated September 08, 2015, Section 2, letter d, "Dividends- This term shall be construed to mean as any additional benefit, whether in cash or in kind, given to the members of an MBA. The term shall not be construed as dividends for Stock Corporation as defined under the Corporation Code of the Philippines and as dividends payable, if any, under a participating plan."

CARE MBA Unassigned Surplus goes directly to members benefits, through:

- Members' equity enhancement based on length of membership
- Scholarship Program

Giving Financial Assistance (Extra Baon) to students whose parents are active member of CARE MBA for at least two years with three children who are all studying. (link Scholarship Program)

- Additional Insurance Coverage (Free Member's Benefit Program)

CARE MBA enrolled members in good standing (link definition of members in good standing) FOR AT LEAST TWO (2) YEARS

It covers life insurance worth P10,000.00 with no additional premium collected from members.

- Catastrophic Insurance (life)

The maximum benefit for members per life is P30,000.00 and P15,000.00 for their dependents.

With a minimum number of casualties of 30 lives per catastrophe, CARE MBA reinsured our members for free to National Reinsurance Corporation of the Philippines (NATRE).

- Calamity Assistance (non-life)

This policy aims to assist members affected by natural calamities and fortuitous events (fire, typhoon and flood). Through the provision of cash assistance or relief goods.

Beneficiaries must be a member in good standing for at least one year.

Employees Health and Safety

CARE MBA, Inc. is committed to providing its employees with a safe and healthy place to work, and pledges its efforts to this objective.

CARE MBA believes that accidents can be prevented.

CARE MBA strives to operate its facilities safely establishing and enforcing safety rules, practices and procedures, providing safety training, encouraging the use of personal protective equipment where applicable and appropriate, and building elements of responsibility and discipline into the health and safety program.

CARE MBA, Inc. complies with all standards, regulations and codes applicable to health and safety. Although the management of CARE MBA is held accountable for the safety performance of its employees working under supervision, all employees are responsible for working safely and actively contributing to a safe work environment by reporting any potentially hazardous situations, thus protecting the life, health, safety of themselves and their fellow employees.

Management

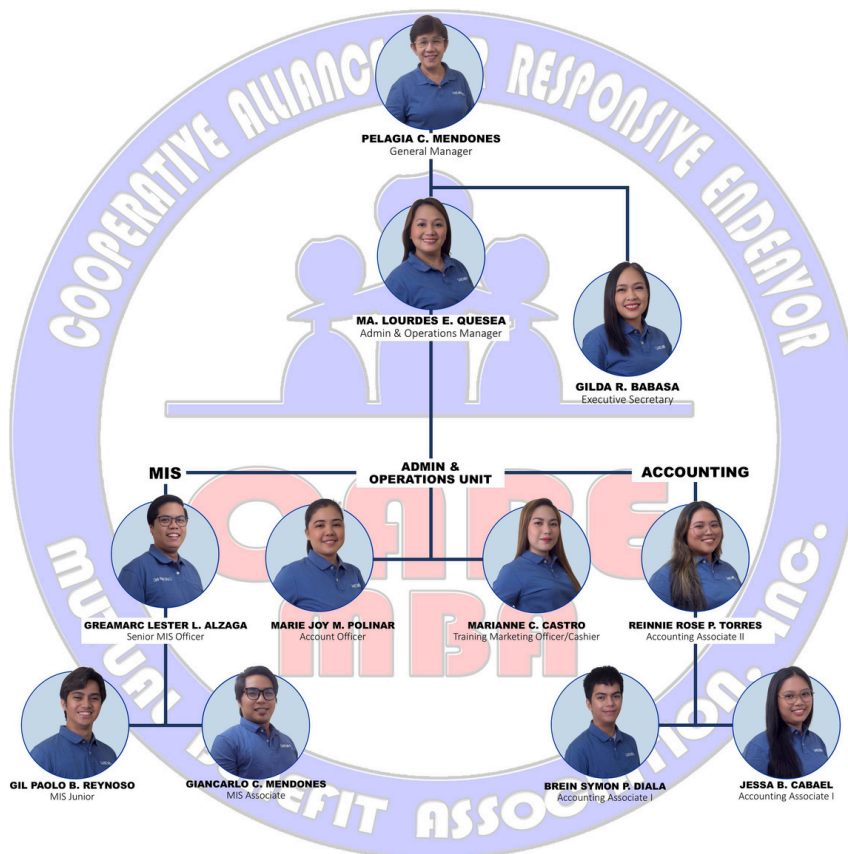
CARE MBA, Inc. is headed by its General Manager, Mrs. Pelagia C. Mendones, who oversees the day-to-day operations of the association. She supervises and manages its business affairs and activities under the direction of the President and the Board of Trustees.

As of the end of 2025, the association has a total of eleven personnel, consisting of ten regular employees and one Contract of Service, who is the General Manager. Of these, seven are female and four are male, reflecting a balanced and inclusive workforce.

Employee compensation, including basic salary, is periodically reviewed by the Remuneration Committee and endorsed to the Board of Trustees for approval. In addition to statutory benefits, employees are entitled to the following benefits:

- Uniform
- Mid-year Bonus
- Christmas Bonus
- Life and Accident Insurance
- Health Plan
- Bereavement Leave and Burial Assistance
- Wedding Gift

ORGANIZATIONAL STRUCTURE MANAGEMENT STAFF



TRAININGS AND DEVELOPMENT OF EMPLOYEES

Training and Development as defined shall refer to the planned efforts by the Association to facilitate the learning of job-related behavior of its employees' current and future roles and responsibilities aligned with CARE MBA's goals and direction.

Training needs analysis must be conducted and training and development plan must be developed for which activities must be strategic, purposive and shall result to a positive contribution to the Association's objectives.

Trainings and Seminars Attended 2025

Name of Seminars/Trainings	Facilitator	Date	Venue	Attendee/s
National Microinsurance Forum: Partnership for Greater Financial Inclusion	MIMAP	Jan. 27, 2025	SMX Mall of Asia, Pasay, City	Pelagia C. Mendones Ma. Lourdes E. Quesa Marianne C. Castro
Seminar on First Philippine Polymer Banknote Series	Bangko Sentral ng Pilipinas	Feb. 20, 2025	St. Jude Coop. Hotel and Event Center.	Ma. Lourdes E. Quesa Marianne C. Castro Marie Joy M. Polinar
Webinar: Audit of Computerized Accounting System	Philippine Institute of Certified Public Accountants	Feb. 22, 2025	Zoom Videoconferencing	Reinnie Rose P. Torres Brein Symon P. Diala Jessa B. Cabael
Learning Session: Institutional Stock Investment 101	MIMAP	Feb. 26, 2025	Zoom Videoconferencing	Ma. Lourdes E. Quesa Reinnie Rose P. Torres

Trainings and Seminars Attended 2025

Name of Seminars/Trainings	Facilitator	Date	Venue	Attendee/s
Webinar on Good Governance Streamlining Prudential Reporting for Accuracy of Financial Statistical Data	Insurance Commission	Mar. 19, 2025	Zoom Videoconferencing	Ma. Lourdes E. Quesea Graemarc Lester A. Alzaga Gilda R. Babasa Reinnie Rose Torres Brein Symon Diala
Negative List Training	MIMAP	Mar. 28, 2025	Zoom Videoconferencing	Reinnie Rose P. Torres
Last Minute Reminder on Income Tax Filing	Philippine Institute of Certified Public Accountants	Apr. 03, 2025	Zoom Videoconferencing	Ma. Lourdes E. Quesea Reinnie Rose P. Torres Brein Symon Diala Jessa Cabael
Annual Statement Workshop	MIMAP	Apr. 22, 2025	Zoom Videoconferencing	Pelagia C. Mendones Ma. Lourdes E. Quesea Graemarc Lester A. Alzaga Reinnie Rose Torres Brein Symon Diala Jessa Cabael
Learning Session: Digital Marketing Part I	MIMAP	May 8, 2025	Zoom Videoconferencing	Marianne C. Castro Gilda R. Babasa Gil Paolo B. Reynoso Brein Symon P. Diala Reinnie Rose P. Torres Jessa Cabael
MIMAP-Digital Marketing Part II	MIMAP	Jun 18, 2025	Zoom Videoconferencing	Marianne Castro Gilda Babasa Lester Alzaga Marie Joy Martillana Gil Paolo Reynoso
Roadshow-Investment	Bangko Sentral ng Pilipinas	Aug. 06, 2025	Quezon Premier Hotel	Pelagia C. Mendones Reinnie Rose P. Torres
Management Forum: Drive. Thrive. Transform	MIMAP	Aug. 27 – 29, 2025	Marzon Convention Center, Kalibo, Aklan	Pelagia C. Mendones Ma. Lourdes E. Quesea Marianne C. Castro Reinnie Rose P. Torres
Income Tax on Individuals	Philippine Institute of Certified Public Accountants	Aug. 28 & 29, 2025	Zoom Videoconferencing	Brein Symon P. Diala Jessa B. Cabael
Learning Session, RE: Investment	MIMAP	Sept. 19, 2025	Zoom Videoconferencing	Ma. Lourdes E. Quesea Reinnie Rose P. Torres
Learning Session on the Unified Online Uploading System (MBA),	Insurance Commission	Oct. 08, 2025	Zoom Videoconferencing	Jessa B. Cabael
Learning Session-Phil health Benefits	MIMAP	Oct. 10, 2025	Zoom Videoconferencing	Graemarc Lester Alzaga Marianne C. Castro Marie Joy M. Polinar Brein Symon Diala Reinnie Rose P. Torres
Good Governance and Anti-Money Laundering Act Workshop	MIMAP	Oct. 15, 16, 17, 2025	BSA Twin Towers Hotel, Ortigas, Pasig City	Graemarc Lester L. Alzaga
Learning Session on the Unified Online Uploading System (MBA)	Insurance Commission	Oct. 23, 2025	Zoom Videoconferencing	Reinnie Rose P. Torres

Trainings and Seminars Attended 2025

Name of Seminars/Trainings	Facilitator	Date	Venue	Attendee/s
ICMIF Sustainable 2025, London, England	ICMIF	Nov. 04 & 05, 2025 5:00pm – 11:00pm	Microsoft Teams Videoconferencing	Ma. Lourdes E. Quesea
ICMIF-Building Community Resilience Through Mutual Microinsurance	ICMIF	Nov. 06, 2025 10:00 pm to 11:00	Microsoft Teams Videoconferencing	Pelagia C. Mendones Gilda R. Babasa
AOA Seminar 2025	AOA/ICMIF	Nov. 13 & 14, 2025	Seoul, South Korea	Pelagia C. Mendones Marianne C. Castro
Financial Literacy Training	MIMAP	Nov. 17, 2025	St. Jude Coop Hotel & Event Center, Tayabas City	Pelagia C. Mendones Ma. Lourdes E. Quesea Graemarc Lester L. Alzaga Marianne C. Castro Marie Joy M. Polinar Gilda R. Babasa Gil Paolo B. Reynoso Giancarlo C. Mendones Brein Symon P. Diala Reinnie Rose P. Torres Jessa B. Cabael
Health, Wellness and Spirituality Seminar	MIMAP	Nov. 28 & 29, 2025	CCT Tagaytay Retreat and Training Center	Ma. Lourdes E. Quesea Reinnie Rose P. Torres

Code of Ethics and Conduct Aligned with Good Corporate Governance

Code of Ethics and Conduct Aligned with Good Corporate Governance CARE MBA, INC., through its General Assembly, has a Code of Ethics and Conduct for Board of Trustees, officers, employees and members. Members of the Board of Trustees of CARE MBA, Inc. are committed to observing and promoting the highest standards of ethical conduct in the performance of their responsibilities on the board. To establish a set of principles and practices of CARE MBA, Inc. the Board of Trustees will set parameters and provide guidance and direction for board conduct and decision-making.

CARE MBA's Board of Trustees, Management, Staff and General Membership are committed to the principles and best practices of good corporate governance including, transparency, accountability and security. Board of Trustees, officers and employees of CARE MBA are well disciplined and committed. Fairness is also being practiced inside and outside the Association. We provide the processes, rules and regulations to our partners and members with regards to financial and operations of our Association.

This Code of Ethics and Conduct is aligned with the values of good corporate governance. Board of Trustees, officers, management and employees must obey and follow the code of ethics and conduct to fully understand and meet the expectations and requirements needed for well-managed Association.

Commitment to Good Corporate Governance

The Board of Trustees, the Management (Officers and Staff) of Cooperative Alliance for Responsive Endeavor Mutual Benefit Association (CARE MBA), Inc. are committed to the principles and best practices of good corporate governance by embedding diversity and inclusion from the top of the association. Establish a governance framework that covers the characteristics of good governance and by demanding good board practices and examples.

This Annual Report contains transparency and accountability that reflects the association's outputs, accomplishments and achievements within the previous year-2025 and accept that it will serve as a guide in the attainment of its corporate goals.

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AUDITED FINANCIAL STATEMENTS



COVER SHEET for AUDITED FINANCIAL STATEMENTS

C N 2 0 0 8 1 8 0 9 8

SEC Registration Number

0 0 7 - 1 8 3 - 5 6 0

Tax Identification Number

Company Name

C O O P E R A T I V E A L L I A N C E F O R
R E S P O N S I V E E N D E A V O R M U T U A L
B E N E F I T A S S O C I A T I O N (C A R E M B A) ,
I N C .

Principal Office (No. /Street/Barangay/City/Town/Province)

3 9 I L A N G - I L A N G S T R E E T , Z A B A L L E R O
S U B D I V I S I O N , B R G Y . G U L A N G - G U L A N G ,
L U C E N A C I T Y , Q U E Z O N P R O V I N C E

(Form Type)

A A F S

(Department Requiring the Report)

(Secondary License Type, if Applicable)

COMPANY INFORMATION

Company's Email Address

mbacare@yahoo.com.ph

Company's Telephone Number

(042) 373-7789

Mobile Number

0998-861-0358

No. of Stockholder

N/A

Annual Meeting (Month/Day)

Last Friday of May

Fiscal Year (Month/Day)

12/31/2025

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Pelagia C. Mendones

Email Address

mbacare@yahoo.com.ph

Telephone Number/s

(042) 373-7789

Mobile Number/s

0947-997-9224

Contact Person's Address

1 General Malvar Street, Tayabas City, Quezon, Philippines 4327

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incidents shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.



**COOPERATIVE ALLIANCE FOR RESPONSIVE ENDEAVOR
MUTUAL BENEFIT ASSOCIATION, INC.**

39 Ilang-ilang Street, Zaballero Subd., Brgy. Gulang-gulang, Lucena City, Philippines

Telefax. No. (042) 373-7789 TIN 007-183-560-000

Email Add: mbacare@yahoo.com.ph



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Cooperative Alliance for Responsive Endeavor Mutual Benefit Association (CARE MBA), Inc. is responsible for the preparation and fair presentation of its financial statements for the years ended December 31, 2025 and 2024, in accordance with Philippine Financial Reporting Standards (PFRSs), 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.

The Board of Trustees is responsible for overseeing the Association's financial reporting process.

The Board of Trustees reviews and approves the financial statements and submits the same to the members of the Association.

Quilab & Garsuta, CPAs, the independent auditors appointed by the Board of Trustees for the periods December 31, 2025 and 2024, have audited the financial statements of the Association in accordance with Philippine Standards on Auditing (PSAs), and in their reports to the Board of Trustees, have expressed their opinion on the fairness of presentation upon completion of such audits.

April 24, 2026, Lucena City, Quezon Province, Philippines.


ATTY. JOYCEE M. SIO
President


MS. RELAGIA C. MENDONES
General Manager


MR. PERSEVERANDO C. FAJARDO
Treasurer



REPORT OF INDEPENDENT AUDITORS

The Board of Trustees and Members
**Cooperative Alliance for Responsive Endeavor
Mutual Benefit Association (CARE MBA), Inc.**
No. 39 Ilang-Ilang St., Zaballero Subdivision
Barangay Gulang-Gulang, Lucena City

Report on the Financial Statements

Opinion

We have audited the financial statements of Cooperative Alliance for Responsive Endeavor Mutual Benefit Association (CARE MBA), Inc., which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of profit or loss and other comprehensive income, statements of changes in fund balances and statements of cash flows for the years then ended, and notes to financial statements comprising of a summary of material accounting policy information and other explanatory notes, collectively referred to as 'financial statements.'

In our opinion, the accompanying financial statements present fairly, in all materials respects, the financial position of Cooperative Alliance for Responsive Endeavor Mutual Benefit Association (CARE MBA), Inc. as of December 31, 2025 and 2024, and of 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 *Auditors' 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 audits 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.

Auditors' 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 auditors' 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 audits. 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 auditors' 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 auditors' 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 audits.

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 on taxes, licenses and fees in Note 25 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 management. 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.

- 3 -

QUILAB & GARSUTA, CPAs

By:



ANA MARIAE MICHELLE D. QUILAB-ARRABACA

Partner

CPA Cert. No. 121076

TIN No. 948-844-710

PRC/BOA Cert. No. 7787, 2023-2026

BIR 16-007506-003-2026, 2025-2027

IC-EA-2025-0040-R Group A, 2025-2027

CDA CEA No. 1883-SP, 2024-2029

121076-SEC Group B, 2020-2025

170-BSP Group B, 2025-2029

PTR No. 6497884 A

January 4, 2026

Cagayan de Oro City

April 24, 2026

Cagayan de Oro City, Philippines

STATEMENTS OF FINANCIAL POSITION

Cooperative Alliance for Responsive Endeavor Mutual Benefit
Association (CARE MBA), Inc.

December 31,

2025

2024

ASSETS

Current Assets

Cash and cash equivalents (Note 5)	P48,066,123	P56,141,508
Investments in debt and equity securities (Note 6)	26,425,097	25,481,545
Receivables from partners and others (Note 7)	409,805	860,452
Other assets (Note 8)	179,075	149,469
Total Current Assets	75,080,100	82,632,974

Non-Current Assets

Property and equipment – net (Note 9)	15,124,647	5,951,788
Investments in debt and equity securities (Note 6)	120,655,087	100,782,460
Total Non-Current Assets	135,779,734	106,734,248

P210,859,834 P189,367,222

LIABILITIES AND FUND BALANCES

Current Liabilities

Trade and other payables (Note 10)	P8,983,279	P9,086,928
Insurance contract liabilities (Note 11)	661,169	1,145,753
Total Current Liabilities	9,644,448	10,232,681

Non-Current Liabilities

Aggregate reserves for unexpired risks (Note 12)	98,815,387	89,460,807
Total Liabilities	108,459,835	99,693,488

Fund Balances

Guaranty Fund (Note 13)	25,528,284	23,566,828
Appropriated Special Funds (Note 14)	35,640,954	20,772,715
General Fund (Note 15)	35,909,902	40,984,679
Revaluation reserve on investments at FVTOCI (Note 6)	5,192,529	4,591,095
Revaluation reserves – actuarial gains (losses) (Note 10)	128,330	(241,583)
Total Fund Balances	102,399,999	89,673,734

P210,859,834 P189,367,222

See Notes to Financial Statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Cooperative Alliance for Responsive Endeavor Mutual Benefit Association (CARE MBA), Inc.

Years Ended December 31,	2025	2024
REVENUE		
Gross members' premium contributions (Note 16)	P39,229,114	P40,012,288
Contributions to Guaranty Fund (Note 13)	(1,961,456)	(2,000,614)
Premiums ceded to reinsurers	(680,988)	(727,958)
Net members' premium contributions	36,586,670	37,283,716
Interest and investment income (Notes 5 and 6)	8,075,027	2,672,511
Membership fees (Note 16)	571,960	532,040
Other income	190,512	345,994
Total Revenue	45,424,169	40,834,261
BENEFITS AND OPERATING EXPENSES		
Increase in aggregate reserves for unexpired risks (Note 12)	9,354,580	6,582,457
Benefits and claims paid to members (Notes 11 and 16)	8,808,483	8,620,860
Collection costs (Notes 10 and 19)	7,745,723	7,822,959
Total Members' Benefits and Expenses	25,908,786	23,026,276
Compensation and employees' benefits (Note 17)	4,787,525	4,319,259
General and administrative expenses (Note 18)	2,253,163	2,432,006
Depreciation (Note 9)	302,135	475,202
Total Benefits and Operating Expenses	33,251,609	30,252,743
	12,172,560	10,581,518
NET SURPLUS FOR THE YEAR		
OTHER COMPREHENSIVE INCOME		
<i>Item that may not be subsequently reclassified to profit or loss:</i>		
Changes in value of investments at FVTOCI (Note 6)	601,434	1,826,610
Actuarial gain (losses) on retirement liability (Note 10)	369,913	(158,784)
Net	971,347	1,667,826
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	P13,143,907	P12,249,344

See Notes to Financial Statements.

STATEMENTS OF CHANGES IN FUND BALANCES

Cooperative Alliance for Responsive Endeavor Mutual Benefit Association (CARE MBA), Inc.

<i>December 31,</i>	2025	2024
GUARANTY FUND (Note 13)		
Opening balances	P23,566,828	P21,566,214
Contributions from members during the year	1,961,456	2,000,614
Closing balances	25,528,284	23,566,828
APPROPRIATED SPECIAL FUNDS (Note 14)		
Opening balances	20,772,715	22,803,590
Additional appropriations during the year	17,247,337	–
Disbursements during the year	(2,379,098)	(2,030,875)
Closing balances	35,640,954	20,772,715
GENERAL FUND (Note 15)		
Opening balances	40,984,679	30,403,161
Net surplus for the year	12,172,560	10,581,518
Appropriation to Special Funds (Note 14)	(17,247,337)	–
Closing balances	35,909,902	40,984,679
REVALUATION RESERVE ON INVESTMENTS AT FVTOCI		
Opening balances	4,591,095	2,764,485
Changes in value of investments in equity securities at FVTOCI (Note 6)	601,435	1,826,610
Closing balances	5,192,530	4,591,095
REVALUATION RESERVES – ACTUARIAL GAINS (LOSSES)		
Opening balances	(241,583)	(82,799)
Remeasurement gains (losses) – demographics	307,875	(158,784)
Remeasurement gains – changes in financial assumption	62,038	–
Closing balances	128,330	(241,583)
	P102,399,999	P89,673,734

See Notes to Financial Statements.

STATEMENTS OF CASH FLOWS

Cooperative Alliance for Responsive Endeavor Mutual Benefit Association (CARE MBA), Inc.

<i>Years Ended December 31,</i>	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net surplus for the year	P12,172,560	P10,581,518
Add (deduct) adjustments for:		
Depreciation (<i>Note 9</i>)	302,135	475,202
Provision for retirement benefits (<i>Note 10</i>)	138,005	375,597
Increase in aggregate reserves for unexpired risks (<i>Note 12</i>)	9,354,580	6,582,457
Interest and investment income (<i>Notes 5 and 6</i>)	(8,075,027)	(2,672,511)
Operating surplus before changes in working capital	13,892,253	15,342,263
Add (deduct) changes in working capital, excluding cash and cash equivalents:		
Decrease (increase) in:		
Receivable from partners and others (<i>Note 7</i>)	450,647	(399,178)
Other current assets (<i>Note 8</i>)	(29,606)	(57,000)
Increase (decrease) in:		
Trade and other payables (<i>Note 10</i>)	66,221	(1,671,495)
Insurance contract liabilities (<i>Note 11</i>)	(484,584)	393,160
Net Cash Provided from Operating Activities	13,894,931	13,607,750
CASH FLOWS FOR INVESTING ACTIVITIES		
Additions to property and equipment (<i>Note 9</i>)	(9,474,994)	(23,606)
Increase in investments in debt and equity securities (<i>Note 6</i>)	(20,152,707)	(30,156,259)
Interest and investment income (<i>Notes 5 and 6</i>)	8,075,027	2,672,511
Net Cash Used for Investing Activities	(21,552,674)	(27,507,354)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in contributions to Guaranty Fund (<i>Note 13</i>)	1,961,456	2,000,614
Decrease in Appropriated Special Funds – net (<i>Note 14</i>)	(2,379,098)	(2,030,875)
Net Cash Used for Financing Activities	(417,642)	(30,261)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,075,385)	(13,929,865)
OPENING CASH AND CASH EQUIVALENTS	56,141,508	70,071,373
CLOSING CASH AND CASH EQUIVALENTS (<i>Note 5</i>)	P48,066,123	P56,141,508

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

Cooperative Alliance for Responsive Endeavor Mutual Benefit Association (CARE MBA), Inc.
As of and for the Years Ended December 31, 2025 and 2024

Note 1

Organization and Tax Exemption

The Cooperative Alliance for Responsive Endeavor Mutual Benefit Association (CARE MBA), Inc. (referred to in the following sections as 'Association') was registered with the Securities and Exchange Commission (SEC) on November 19, 2008 and obtained its secondary license from the Insurance Commission (IC) on March 24, 2009. It is operating under IC License No. 2025-18-R from January 1, 2025 to December 31, 2027. It is governed by a Board of Trustees which receives no compensation. It devotes all its incomes for the purposes enumerated in its Articles of Incorporation.

The Association was organized by the following ten (10) Cooperatives from Quezon Province: 1) St. Jude Multi-Purpose Cooperative; 2) Lopez Quezon Multi-Purpose Cooperative; 3) Quezon Provincial Government Employees Multi-Purpose Cooperative; 4) Quezon Medical Mission Group Hospitals & Health Services Cooperative; 5) Farmers Multi-Purpose Cooperative; 6) Quezon Federation and Union of Cooperatives; 7) Ating Kooperatiba Multi-Purpose Cooperative; 8) Pearls Multi-Purpose Cooperative; 9) Quezon Power Multi-Purpose Cooperative; and 10) San Luis Development Cooperative.

The Association was organized primarily to advance the interests and promote the cause and welfare of the Philippines in general. Specifically, the Association seeks to extend financial assistance to its members, spouse, children, parents and siblings in the form of death benefits, sickness benefits, provident savings and loan redemption assistance, and to ensure continued access to benefits/resources by active and responsible involvement of the members in the management of the Association to include but not limited to implementation of policies and procedures geared towards sustainability and improved services.

As at December 31, 2025, the Association has a total membership of 29,721.

The Association is holding office at No. 39 Ilang-Ilang St., Zaballero Subdivision, Barangay Gulang-Gulang, Lucena City at its own building constructed in its own property since January 30, 2018.

Tax Exemptions

The Association is a holder of Certificate of Tax Exemption No. RR-09B-RDO060-2023-003 which entitles it with tax exemption for three (3) years from October 11, 2023 to October 11, 2026.

The Association, being an association for the exclusive benefit of its members by providing for the payment of life and other benefits, is exempt from the payment of taxes from income derived by it, in accordance with Section 30 (C) of the National Internal Revenue Code, as amended. It has proven by actual operation that its primary purpose falls under Section 30 (C) of the National Internal Revenue Code (NIRC) of 1997, as amended. It is however subject to income taxes on income derived from any of its properties, real or personal, bank deposits, gains from investments, and rental income from real and personal properties. The Association has been reporting income from interest on its bank deposits and investments at net of the applicable withholding taxes.

Note 2

Statement of Compliance with PFRS Accounting Standards

Statement of Compliance

The accompanying financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards) and Philippine Interpretations-IFRIC.

PFRS Accounting Standards include statements named PFRSs and Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy (BOA) and adopted by the Securities and Exchange Commission (SEC).

Because the Association is a supervised entity by the Insurance Commission (IC), it also abides by the regulations of the Commission particularly those that are set forth under Section 189 of The Amended Insurance Code and with IC Circular Letter No. 2021-04 *Amendment of the Standard Chart of Accounts (SCA)*

for *Mutual Benefits Associations (MBAs)*, and all applicable IC Circular Letters and accounting requirements. These regulations and requirements are substantially compliant with PFRS Accounting Standards and the Revised SRC Rule 68 (2019).

Adoption of New and Amended PFRS Accounting Standards that are Effective for the Current Year

In the current year, the Association has applied the following amendment to PFRS Accounting Standards issued by the IASB and adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) which is mandatorily effective for an accounting period that begins on or after 1 January 2025.

Amendments to PAS 21 *The Effects of Changes in Foreign Exchange Rates* titled *Lack of Exchangeability*

The Association has adopted the amendments to PAS 21 for the first time in the current year. The amendments were adopted by the FSRSC on October 10, 2023. These amendments so far are the only ones adopted and implemented beginning January 1, 2025. The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

New and Revised IFRS Accounting Standards in Issue but not yet Effective

At the date of authorization of these financial statements, the Association has not applied the following new and revised PFRS Accounting Standards that have been issued but are not yet effective (and, in some cases, have not yet been adopted by the FSRSC):

- PFRS 17 *Insurance Contracts* (including the June 2020 and December 2021 amendments to IFRS 17)
- Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*
- Annual Improvements to IFRS Accounting Standards – Volume 11 *Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows*
- Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity*

- IFRS 18 *Presentation and Disclosures in Financial Statements*
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures*
- IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*

The management of the Association does not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Association in future periods, except if indicated below.

PFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 *Insurance Contracts*. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach.

The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

In December 2021, the IASB issued Initial Application of IFRS 17 and IFRS 9—*Comparative Information (Amendment to IFRS 17)* to address implementation challenges that were identified after IFRS 17 was published. The amendment addresses challenges in the presentation of comparative information. IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. For the purpose of the transition requirements, the date of initial application is the

start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

The FSRSC adopted the amendments to IFRS 17 on December 15, 2021 (and identified the standard as PFRS 17) and amended the mandatory effective date of PFRS 17 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 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. The Insurance Commission (IC), however, issued Circular Letter No. 2024-19, dated October 17, 2024, mandating all MBAs to adopt PFRS 17 starting January 1, 2030 to ensure regulatory stability and smooth implementation. MBAs are not precluded from implementing PFRS 17 in their audited financial statements before January 1, 2030.

The Association has determined that its existing products extended to its members has significant insurance risk and therefore meets the definition of an insurance contract. Presently, these are accounted for under PFRS

4, which will be superseded by PFRS 17 beginning January 1, 2030. The Association is working closely with its actuaries and the mutual benefit industry association it belongs to for guidance and understanding in the implementation of the provision of PFRS 17.

Amendments to PFRS 9 and PFRS 7—Amendments to the Classification and Measurement of Financial Instruments Amendments to the Classification and Measurement of Financial Instruments adopted by the FSRSC on July

12, 2024 to become effective beginning January 1, 2026. The amendments in *Amendments to the Classification and Measurement of Financial Instruments (Amendments to PFRS 9 and PFRS 7)* are the following:

Derecognition of a financial liability settled through electronic transfer

The amendments permit the Association to deem a financial liability (or part of a financial liability) that is settled using an electronic payment system to be discharged (and derecognized) before the settlement date if specified criteria are met. If the Association elects to apply this accounting policy, it must do so for all settlements made through the same electronic payment system.

Classification of financial assets

- *Contractual terms that are consistent with a basic lending arrangement.*
The amendments provide guidance on how the Association should assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. This is intended to assist the Association to apply the requirements for assessing contractual cash flow characteristics to financial assets with features linked to environmental, social and governance (ESG) concerns.
- *Assets with non-recourse features.*
The amendments enhance the description of the term 'non-recourse', in particular to specify that a financial asset has non-recourse features if the Association's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
- *Contractually linked instruments.*
The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. Specifically, the amendments highlight that in such instruments a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) is established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of losses between the holders of different tranches. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.

Disclosures

- *Investments in equity instruments designated at FVTOCI.*
The requirements in PFRS 7 are amended to require the Association to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognized in the period and the fair value gain or loss that relates to investments held at the end of the period.
- *Contractual terms that could change the timing or amount of contractual cash flows.*
The amendments require the Association to disclose the contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortized cost or FVTOCI and each class of financial liability measured at amortized cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted. If the Association elects to apply these amendments for an earlier period, it is required to either: (1) apply all the amendments at the same time and disclose that fact or (2) apply only the amendments to the classification of financial assets for that earlier period and disclose that fact.

The amendments are required to be applied retrospectively, in accordance with PAS 8, with specific exceptions.

The Board of Trustees of the Association anticipate that the application of these amendments may have an impact on the Association's financial statements in future periods.

Annual Improvements to PFRS Accounting Standards – Volume 11

Amendments to PFRS 1 First-time Adoption of International Financial Reporting Standards, PFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing PFRS 7, PFRS 9 Financial Instruments, PFRS 10 Consolidated Financial Statements, and PAS 7 Statement of Cash Flows. The IASB

issued amendments to five IFRS Accounting Standards as part of its annual improvements process and these amendments were adopted by the FSRSC on August 22, 2024 to become effective beginning January 1, 2026. These amendments are the following:

PFRS 1 First-time Adoption of International Financial

Reporting Standards—Hedge accounting by a first-time adopter

For consistency with the requirements in PFRS 9, PFRS 1:B5-B6 were amended to refer to the 'qualifying

criteria' for hedge accounting (instead of the 'conditions') and to add cross-references to PFRS 9:6.4.1 to

improve the understandability of PFRS 1.

PFRS 7 Financial Instruments: Disclosures—Gain or loss on derecognition

The amendments remove an obsolete cross-reference in PFRS 7:B38 to a paragraph that had been deleted

when PFRS 13 was issued and align the wording of this paragraph with the terms used in PFRS 13.

Guidance on implementing PFRS 7—Disclosure of

deferred difference between fair value and transaction price

The amendments update PFRS 7:IG14 to make the wording of that paragraph consistent with PFRS 7:28 and improve the internal consistency of the wording in the example in PFRS 7:IG14.

Guidance on implementing PFRS 7—Introduction and credit risk disclosures

The amendments add a statement to PFRS 7:IG1 clarifying that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7. The amendments also simplify the explanation of the aspects of the requirements that are not illustrated in PFRS 7:IG20B.

PFRS 9 Financial Instruments—Derecognition of lease liabilities

The amendments add a cross-reference to PFRS 9:3.3.3 in PFRS 9.2.1(b)(ii) to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to

apply PFRS 9:3.3.3 and therefore recognize any resulting gain or loss in profit or loss.

PFRS 9 Financial Instruments—Transaction price

The amendments replace 'their transaction price (as defined in PFRS 15)' in PFRS 9.5.1.3 with 'the amount determined by applying PFRS 15' to address inconsistency between PFRS 9.5.1.3 and the requirements of

PFRS 15 which may require a receivable to be measured at an amount that differs from the amount of the transaction price recognized as revenue. Additionally, the reference to 'transaction price' (as defined in PFRS 15) is deleted from Appendix A of PFRS 9.

PFRS 10 Consolidated Financial Statements—Determination of a 'de facto agent'

The amendments address concerns that the requirements in PFRS 10:B73-B74 might, in some situations, be contradictory. PFRS 10:B73 refers to 'de facto agents' as parties acting on the investor's behalf and states that the determination of whether other parties are acting as de facto agents requires judgement. However, the second sentence of PFRS 10:B74 includes more conclusive language and states that a party is a de facto

agent when those that direct the activities of the investor have the ability to direct that party to act on the investor's behalf. The amendments update PFRS 10:B74 to use less conclusive language and to clarify that the relationship described in PFRS 10:B74 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de facto agent.

PAS 7 Statement of Cash Flows—Cost method

The amendment replaces the term 'cost method' with 'at cost' in PAS 7:37 in line with the removal of the definition of 'cost method' from the PFRS Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The Association is required to apply the amendments to PFRS 9:2.1(b)(ii) to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the Association first applies that amendment. No specific transition provisions are provided in respect of the other amendments.

Amendments to PFRS 9 and PFRS 7—Contracts Referencing Nature-dependent Electricity

Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity* were adopted by the FSRSC on February 14, 2025 to become effective beginning January 1, 2026.

Amendments to PFRS 9 Financial Instruments

The following requirements of PFRS 9 are affected by the amendments:

- The own-use requirements in PFRS 9 are amended to include the factors the Association is required to consider when applying PFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent; and
- The hedge accounting requirements in PFRS 9 are amended to permit the Association using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument: (1) to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met; and (2) to measure the hedged item using the same volume assumptions as those used for the hedging instrument.

Amendments to PFRS 7 Financial Instruments: Disclosures and PFRS 19 Subsidiaries without Public Accountability: Disclosures

PFRS 7 and PFRS 19 were amended to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics.

The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted. The amendments to the own use exemption are required to be applied retrospectively in accordance with PAS 8 using the facts and circumstances at the date of initial application. The amendments to the hedge accounting requirements are to be applied prospectively to new hedging relationships designated on or after the date of initial application.

The Board of Trustees of the Association anticipate that the application of these amendments may have an impact on the Association's financial statements in future periods.

PFRS 18 Presentation and Disclosures in Financial Statements

PFRS 18 includes requirements for all entities applying PFRS for the presentation and disclosure of information

in financial statements, which were issued on April 9, 2024, adopted by FSRSC on May 10, 2024, to become effective beginning the annual periods January 1, 2027.

PFRS 18 replaces PAS 1, carrying forward many of the requirements in PAS 1 unchanged and complementing them with new requirements. In addition, some paragraphs from PAS 1 have been moved to PAS 8 and PFRS 7. Furthermore, the PASB has made minor amendments to PAS 7 and PAS 33 *Earnings per Share*.

PFRS 18 introduces new requirements to: (1) present specified categories and defined subtotals in the statement of profit or loss, (2) provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements, and (3) improve aggregation and disaggregation.

The Association is required to apply PFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to PAS 7 and PAS 33, as well as the revised PAS 8 and PFRS 7, become effective when the Association applies PFRS 18. PFRS 18 requires retrospective application with specific transition provisions.

The Board of Trustees of the Association anticipate that the application of these amendments may have an impact on the Association's financial statements in future periods.

PFRS 19 Subsidiaries without Public Accountability: Disclosures

PFRS 19 permits an eligible subsidiary (defined as a subsidiary that does not have public accountability and has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with PFRS Accounting Standards) to provide reduced disclosures when applying PFRS Accounting Standards in its financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted.

The Board of Trustees of the Association do not anticipate that PFRS 19 will be applied for purposes of the financial statements of the Association.

Adoption of PFRS on Sustainability Disclosures and Issuance of Reporting Guidelines for Companies

The SEC issued Memorandum Circular No. 16, Series of 2025, titled 'Adoption of Philippines Financial Reporting Standards (PFRS) on Sustainability Disclosures and Issuance of Reporting Guidelines for Publicly Listed Entities and Largely Non-listed Entities' on December 23, 2025. PFRS S1 and S2 have been adopted by the Professional Regulatory Board of Accountancy on March 12, 2024, under its Resolution No. 11, Series of 2024 and formally adopted by the SEC during its Commission En Banc meeting on December 4, 2025.

PFRS S1 sets out the general requirements for the disclosure of sustainability related financial information, while PFRS S2 focuses on climate related disclosures.

The SEC issued the Sustainability Reporting Guidelines, together with a PFRS Adoption Roadmap, to guide covered companies in phased implementation. These standards are aligned with IFRS S1 and S2 issued by the International Sustainability Standards Board and were approved for local application through the Philippine standard setting process. The Guidelines aim to enhance transparency, comparability, and decision usefulness of sustainability disclosures and support long term value creation to attract investments.

All publicly listed companies (PLCs) and large non-listed entities (LNLs) are required to submit a Sustainability Report as an attachment to their annual reports to the SEC. LNLs not reporting under Section 17.2 of the Revised SRC are required to submit a Sustainability Report together with their audited financial statements beginning on or after January 1, 2026. Beginning 2026, covered companies are required to start adopting PFRS S1 and PFRS S2 with limited extensions of transition standard reliefs, under a tiered approach.

The Association, not being a PLC or LNL, has determined that it is not required to comply with the submission of the Sustainability Report.

Note 3

Summary of Material Accounting Policy Information

The material accounting policies that have been used in the preparation of these financial statements are summarized below. The Company's management expects these policies to influence the decisions of users of the financial statements. Accounting policies related to immaterial transactions or events were no longer disclosed.

Going Concern

The Board of Directors has at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Basis of Preparation

The financial statements have been prepared using the historical cost basis, except for financial instruments that are measured at fair values at the end of the year, as explained in the following accounting policies.

Historical cost

is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Association takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such basis, except for leasing transactions that are within the scope of PFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in PAS/IAS 2 or value in use in PAS/IAS 36.

The financial statements are presented in Philippine peso, which is the Association's functional and presentation currency, and all values are recorded to the nearest peso except when otherwise indicated.

The preparation of the financial statements made use of estimates, assumptions and judgments by management based on management's best knowledge of current and historical facts as at statement of financial position date. These estimates and judgments affect the reported amounts of assets and liabilities and contingent liabilities as at statement of financial position date, as well as affecting the reported income and expenses for the year. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Fair Value Measurement

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

Financial assets and financial liabilities are recognized in the Association's statement of financial position when the Association becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Although the Association does not have all of the following financial instruments in its financial statements, the policies governing the accounting of these financial instruments are discussed in detail to allow for the proper understanding of the policies governing such financial instruments.

Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of Financial Assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost: (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI): (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Association may make the following irrevocable election/designation at initial recognition of a financial asset: (a) the Association may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met [see (iii) below]; and (b) the Association may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch [see (iv) below].

(i) Amortized Cost and Effective Interest Method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below).

For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Association recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

The Association's financial assets at amortized costs includes cash and cash equivalents and trade and other receivables.

Cash and Cash Equivalents

Cash and cash equivalents are carried in the financial statements at cost. Cash comprise unrestricted cash on hand, deposits held at call with banks, and time deposits with banks that can be pre-terminated anytime without significant risk of change in value. Cash equivalents (including those invested in a trust fund) represent short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and Other Receivables

Trade and other receivables are outstanding balances from debtors less the allowance for impairment losses. Receivables are recognized when the Association becomes party to the contract which happens when the goods or services are dispatched. They are derecognized when the rights to receive the cash flows have expired e.g., due to the settlement of the outstanding amount or where the Association has transferred substantially all the risks and rewards associated with that contract. Other receivables are stated at invoice value less an allowance for impairment losses. Trade and other receivables are subsequently measured at amortized cost as the business model is to collect contractual cash flows and the debt meets the SPPI criterion.

Investments in Debt Securities at Amortized Costs

Investment in treasury bills and treasury bonds issued by the Philippine Government are held primarily to collect the contractual cash flow rather than selling the asset prior to its maturity. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss.

(ii) Debt Instruments Classified as at FVTOCI

The Association has no financial assets held at FVTOCI. But debt instruments classified as at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these financial assets as a result of foreign exchange gains and losses (see below), impairment gains or losses (see below), and interest income calculated using the effective interest method (see (i) above) are recognized in profit or loss.

The amounts that are recognized in profit or loss are the same as the amounts that would have been recognized in profit or loss if these financial assets were to be measured at amortized cost. All other changes in the carrying amount of these financial assets are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these financial assets are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

(iii) Equity Instruments Designated as at FVTOCI

On initial recognition, the Association may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with PFRS 9 unless the dividends clearly represent a recovery of part of the cost of the investment.

The Association designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition.

A financial asset is held for trading if: (1) it has been acquired principally for the purpose of selling it in the near term; or (2) on initial recognition it is part of a portfolio of identified financial instruments that the Association manages together and has evidence of a recent actual pattern of short-term profit-taking; or (3) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

(iv) Financial Assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI [see (i) to (iii) above] are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Association designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition [see (iii) above].

- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria [see (i) and (ii) above] are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Association has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (the Association has no hedge investments). The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other services and other income' line item. Fair value is determined in the manner described in the Association's material accounting policy information.

Impairment of Financial Assets

The Association recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Association always recognizes lifetime ECL (expected credit losses) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Association's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Association recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Association measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant Increase in Credit Risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Association compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Association considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Association's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Association's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or

internal credit rating;

- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g., a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Association presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Association has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Association assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if: (1) the financial instrument has a low risk of default; (2) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and (3) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Association considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

The Association regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of Default

The Association considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable: (1) when there is a breach of financial covenants by the debtor; or (2) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Association, in full (without taking into account any collateral held by the Association).

Irrespective of the above analysis, the Association considers that default has occurred when a financial asset is more than 90 days past due unless the Association has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events: (a) significant financial difficulty of the issuer

or the borrower; (b) a breach of contract, such as a default or past due event (see (ii) above); (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-Off Policy

The Association writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed

under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Association's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

(v) Measurement and Recognition of Expected Credit Losses (ECL)

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Association's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Association in accordance with the contract and all the cash flows that the Association expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with PFRS 16.

If the Association has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Association measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Association recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized

in other comprehensive income and accumulated in the investment revaluation reserve and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of Financial Assets

The Association derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the

asset to another entity. If the Association neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Association recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Association retains substantially all the risks and rewards of ownership of a transferred financial asset, the Association continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying

amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Association has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

Financial Liabilities and Equity

Classification as Debt or Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial Liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Association, are measured in accordance with the specific accounting policies set out below.

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) designated as at FVTPL.

A financial liability is classified as held for trading if: (a) it has been acquired principally for the purpose of repurchasing it in the near term; or (b) on initial recognition it is part of a portfolio of identified financial instruments that the Association manages together and has a recent actual pattern of short-term profit-taking; or (c) it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if: (1) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or (2) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Association's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or (3) it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'other services and other income' line item in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are

recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guaranty contracts issued by the Association that are designated by the Association as at FVTPL are recognized in profit or loss.

Financial Liabilities Measured Subsequently at Amortized Cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of Financial Liabilities

The Association derecognizes financial liabilities when, and only when, the Association's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Association exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Association accounts for substantial modification of

terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of

a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash

flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of

the liability before the modification; and (2) the present value of the cash flows after modification is recognized in profit or loss as the modification gain or loss within other gains and losses.

Prepayments

Prepaid expenses are expenditures paid for in one accounting period, but for which the underlying assets will

not be consumed until a future period. When the asset is eventually consumed, it is charged to expense.

Prepayments are carried at cost and are amortized on a straight-line basis, over the period of intended usage, which is equal to or less than 12 months or within the normal operating cycle.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value, if any. Such cost includes the cost of replacing part of such property and equipment when that cost is incurred, if the recognition criteria are met.

Depreciation is computed on the straight-line method over the estimated useful lives of the assets as follows:

- (1) Buildings, 20 years;
- (2) Building improvements, 10 to 20 years;
- (3) Office furniture, fixtures and equipment, 3 years;
- (4) Information Technology (IT) equipment, 3 years;
- (5) Transportation equipment, 10 years; and
- (6) Land is not depreciated.

An item of furniture, fixtures and office equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated

as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income in the year the asset is derecognized.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The carrying values of the property and equipment are reviewed for impairment when changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The recoverable amount of Association's property and equipment is the greater of net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's-length transaction.

Impairment of Non-Financial Assets

The Association's furniture, fixtures and office equipment and other assets are subject to impairment testing. Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. An impairment loss is recognized for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting the market conditions less cost to sell, and value in use, based on an internal evaluation of discounted cash flow. All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the previously recognized impairment loss.

Actuarial Policies

Actuarial liabilities (reserves for life policy and members' equity) are computed by the Consulting Actuary of the Association using actuarial practices generally accepted in the Philippines. Actuarial liabilities and other policy liabilities represent the estimated amounts which, together with estimated future premiums and net investment income, will provide for outstanding claims, estimated future benefits, and expenses on in-force policies.

In calculating actuarial liabilities, assumptions must be made about the timing and amount of many events, including death, investment, inflation, policy termination, expenses, taxes, premiums and commissions. The Association uses best estimate assumptions for expected future experience. Uncertainty is inherent in the process, as no one can accurately predict the future. Some assumptions relate to events that are anticipated to occur many years in the future and are likely to require subsequent revision.

Additional provisions are included in the actuarial liabilities to provide for possible adverse deviations from the best estimates. If the assumption is more susceptible to change or if the actuary is less certain about the underlying best estimate assumption, a correspondingly larger provision is included in the actuarial liabilities. In determining these provisions, the Association ensures: (a) when taken one at a time, the provision is reasonable with respect to the underlying best estimate assumption, and the extent of uncertainty present in making that assumption, and (b) in total, the cumulative effect of all provisions is reasonable with respect to the total actuarial liabilities.

With the passage of time and resulting reduction in estimation risk, the provisions are released into income. The best estimate assumptions and margins for adverse deviations are reviewed annually and revisions are made where deemed necessary and prudent.

Recording of Claims from Policyholders

Claims incurred comprise settlement and handling costs of paid and outstanding claims arising during the year and adjustments to prior year claim provisions. Outstanding claims comprise claims incurred up to, but not paid, at the end of the year, whether reported or not.

Revaluation Reserves on FVTOCI Investments

The accumulated other comprehensive income account is an equity category comprised of the cumulative amounts of other comprehensive income (OCI). OCI presently comprises the change in the fair value of the investments in FVTOCI.

Revenue and Cost Recognition

The Association's revenue arises primarily from the premium contributions of members and secondarily from investment-related transactions such as investment income, dividend income, interest income and other sources of revenues.

Management has determined that the revenue from premium contributions of members is within the scope of PFRS 4 *Insurance Contracts* while the income from investments in financial instruments are within the scope of PFRS 9 *Financial Instruments*. Income from other sources is within the scope of PFRS 15 *Revenue from Contracts with Customers*.

PFRS 4 defines an insurance contract as a 'contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.' PFRS 4 temporarily exempts the Association from some requirements of other PFRS Accounting Standards until the efficacy of PFRS 17, beginning January 1, 2025.

The Association recognizes revenue as follows:

(1) Premium Contributions

Revenue from insurance products is recognized under PFRS 4 *Insurance Contracts*, which defines an insurance contract as a 'contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.' PFRS 4 temporarily exempts the Association from some requirements of other PFRS Accounting Standards until the efficacy of PFRS 17, beginning January 1, 2025.

Under the provisions of PFRS 4, the Association recognizes premium contributions as earned when collected with corresponding allocation as approved by the Insurance Commission (IC). The proportion of the premiums collected pertaining to periods after reporting date is carried forward to subsequent accounting periods as unearned premiums, so that earned premiums relate to risks carried during the accounting period.

The members' gross premium contributions are allocated as follows:

- 50% goes to the reserve for members' equity, intended for members' entitlements of equity value after three (3) full years of continuous membership in the Association;
- 30% goes to cover basic benefits of members;
- 5% goes to guaranty fund; and the remaining
- 15% goes to general operations to cover administrative costs.

The Association collects its premiums/contributions of members through its partner cooperatives and organized groups with a certain service fee (collection cost).

(2) Investments Income

Income from investments is accounted for under PFRS 9 *Financial Instruments*. Income from investments in debt and equity equities held to collect contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes) are recognized at amortized cost, with interest income recognized at the effective interest rate.

(3) Non-Insurance Revenues

The Association recognizes non-insurance revenues in accordance with PFRS 15 *Revenue from Contracts with Customers* at an amount that reflects the consideration to which the Association is expected to be entitled in exchange for transferring goods or services to a customer.

For each contract with a customer, the Association:

- (1) Identifies the contract with a member,
- (2) Identifies the performance obligations in the contract;
- (3) Determines the transaction price which takes into account estimates of variable consideration and the time value of money;
- (4) Allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- (5) Recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognized as deferred revenue in the form of a separate refund liability.

(4) Cost and Expenses

Costs and expenses are recognized in the statement of profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen which can be measured reliably. Costs and expenses are recognized in the statement of profit or loss: i) on the basis of a direct association between the cost incurred and the earnings of specific items of income; ii) on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or iii) immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

Insurance-related costs are accounted as follows:

- Changes in the required actuarial and other reserves are recognized as expense during the year.
- Plan benefits and claims paid to members, including refund of members' equity value, are recognized for benefits availed of by members/beneficiaries.
- Collection costs (representing service fees to collecting affiliate) are due and payable for every premium income recognized. Service fee rates are based on IC-approved rates.

(5) Grants, Donations and Other Income

Grants and donations received are valued at fair market value at the time the grants are received.

Compensation and Employees Benefits Expense

Employee benefits are all forms of consideration given by the Association in exchange for services rendered by employees or for the termination of their employments in the Association. The Association recognizes: (a) a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and

(b) an expense when the Association consumes the economic benefit arising from the service provided by an employee in exchange for employee benefits. The following represent the accounting followed by the Association for all types of employee benefits, except share-based payment, to which there is none.

◦ Short-Term Employee Benefits

Short-term employee benefits are those expected to be settled wholly before twelve months after the end of the annual reporting period during which employee services are rendered, but do not include termination benefits. These benefits include wages, salaries and bonuses (if there are any) and non-monetary benefits paid to current employees. These are recognized when the employee has rendered the service and are measured at the undiscounted amounts of benefits expected to be paid in exchange for that service.

The benefits also include compensated absences which are recognized for the number of paid leave days (including holiday entitlement) remaining at the reporting date. The expected cost of short-term compensated absences is recognized as the employees render service that increases their entitlement or, in the case of non-accumulating absences, when the absences occur, and includes any additional amounts the Association expects to pay as a result of unused entitlements at end of period. The amounts recognized are included in Trade and Other Payables account in the statement of financial position at undiscounted amount that the Association expects to pay as a result of the unused entitlement.

◦ Post-Employment Benefit Plans

Post-employment benefit plans that are provided to employees only cover their retirement benefits, which are paid in lump sum payments at the time of their retirements. The retirement benefits are provided to employees through a defined benefit plan. A defined benefit plan is a retirement plan that defines an amount of retirement benefit an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for the benefits of the retirement plan remains with the Association, even if plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long-term benefit fund, as well as qualifying insurance policies. The Association's defined benefit retirement plan covers all regular full-time employees.

The Association has not yet computed its retirement benefit obligations at the end of the reporting periods as it considers its retirement liability to be still immaterial considering that the operations of the Association is just less than five years old and just three years under operating status. The Association's work force is considered young. The Board of Trustees is cognizant of the need to provide post-employment benefits to its employees; however, the cost-benefit estimate favors postponement of any action at this time on the issue of the immateriality of the amount involved.

Termination Benefits

Termination benefits are payable when employment is terminated by the Association before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Association recognizes termination benefits when it is demonstrably committed to either: (a) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or (b) providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the statement of financial position date are discounted to present value.

Leases – The Association as Lessee

The Association's leases substantially involve the use of office space that is used for its Head Office. The Association assesses whether a contract is or contains a lease, at inception of the contract. The Association recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these low value leases, the Association recognizes the lease payments as

an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Association uses its incremental borrowing rate. The Association has no borrowings, but it is investing funds. It uses the average rates that its investments in financial instruments are getting as the discounted rate justifying that it becomes the opportunity cost when such investible funds are used to the leases.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Association remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Association did not make any such adjustments during the period presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Association incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under PAS/IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Association expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets and the corresponding lease liability are presented separately in the statement of financial position as required under IC Circular Letter No. 2019-70, dated December 2, 2019.

The Association applies PAS/IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Rent" in the statement of profit or loss.

As a practical expedient, PFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Association has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Association allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Leases – The Association as Lessor

The Association is not a lessor of properties.

Related Party Relationships and Transactions

Related party transactions are transfers of resources, services or obligations between the Association and its related parties, regardless of whether a price is charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Association; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the Association that gives them significant influence over the Association and close members of the family of any such individual; and (d) the Association's funded retirement plan.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Contingencies

A contingency arises when there is a situation for which the outcome is uncertain, and which should be resolved in the future, possibly creating a loss. The accounting for a contingency is essentially to recognize only those losses that are probable and for which a loss amount can be reasonably estimated. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable. Contingent liabilities are not recognized either, but these are generally disclosed unless the possibility of an outflow of resources is remote.

Provisions and Contingent Liabilities

Provisions are recognized when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that the Association will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are

expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Events After Reporting Date

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

Note 4

Significant Critical Accounting Judgment and Key Sources of Estimation Uncertainty

In applying the Association's accounting policies, which are described in Note 2, *Summary of Material accounting policy information*, the management of the Association are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Going concern

In the process of applying the Association's accounting policies, management has made an assessment of the Association's ability to continue as a going concern and is satisfied that the Association has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Association's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Critical Judgements in Applying the Association's Accounting Policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the management of the Association have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model tests. The Association determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Association monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Association's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Significant Increase in Credit Risk

Expected credit losses (ECL) are measured as an allowance equal to 12 -month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased

significantly since initial recognition. PFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Association takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Calculation of Loss Allowance

When measuring ECL the Association uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Fair Value Measurements and Valuation Processes

Some of the Association's assets and liabilities are measured at fair value for financial reporting purposes. Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. In estimating the fair value of an asset or a liability, the management uses market-observable data to the extent it is available. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible; but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Estimating Useful Lives of Property and Equipment

The Association reviews annually the estimated useful lives of its property and equipment based on expected asset utilization. It is possible that future results of operations could be materially affected by changes in these estimates. A reduction in the estimated useful lives of these properties would increase recorded depreciation and amortization expense and decrease the related asset accounts.

Impairment of Non-Financial Assets

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Retirement Benefits

The determination of the Association's obligation and cost for pension and other employee benefits is dependent on the selection of certain assumptions used by management in calculating such amounts. While the Association believes that the assumptions used are reasonable and appropriate, significant differences in the actual experience or significant changes in assumptions may materially affect employee benefit obligations.

Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition and disclosure of provision and disclosure of contingencies are discussed in Note 2.

Note 5
Cash and Cash Equivalents

This account consists of the following:

<i>December 31,</i>	2025	2024
Cash in banks	P6,146,608	P14,358,205
Cash equivalents	41,909,515	41,773,303
Cash on hand and petty cash fund	10,000	10,000
	P48,066,123	P56,141,508

The cash in banks earn interest at the prevailing market rates. The cash equivalents represent time deposits that earn interest at effective interest rates ranging from 0.15% to 2%, maturing in 30 to 365 days but can be pre-terminated anytime without undue cost to the Association. Total interest income earned from cash in banks and cash equivalents amounted P1,502,855 in 2025 and P335,903 in 2024.

Note 6
Investments in Debt and Equity Securities

This account consists of the following investments:

<i>December 31,</i>	2025	2024
Investments in debt securities at amortized cost	P134,154,309	P113,958,263
Investments in equity securities at FVTOCI	12,428,044	11,826,610
Investments in equity securities at FVTPL	497,831	479,132
Total investments	147,080,184	126,264,005
Less presented under current portion	26,425,097	25,481,545
Presented under non-current portion	P120,655,087	P100,782,460

Details of Investments in Debt Securities Accounted at Amortized Cost

These investments were acquired through the following banks:

<i>December 31,</i>	2025	2024
<u><i>Treasury Bills</i></u>		
Land Bank of the Philippines (LBP)	P25,429,328	P25,481,545
Bank of the Philippine Islands (BPI)	995,769	-
	26,425,097	25,481,545

Retail Treasury Bonds

Land Bank of the Philippines (LBP)*	27,971,617	12,000,000
China Banking Corporation (CBC)	22,556,316	21,446,191
Robinsons Bank – restricted	8,000,000	8,000,000
Bank of the Philippine Islands (BPI)	5,006,584	-
Philippine National Bank (PNB)	3,997,816	13,884,825
Development Bank of the Philippines (DBP)	3,000,000	3,000,000
Metropolitan Bank and Trust Company (MBTC) – restricted	2,000,000	2,000,000
Security Bank (SBC)	1,961,879	1,633,954
	74,494,212	61,964,970

(Carried Forward.)

(Brought Forward.)

December 31,	2025	2024
<u>Long-Term Time Deposits</u>		
Bank of Makati (BMI)	2,235,000	2,235,000
Philippine National Bank (PNB)	-	3,200,000
Philippine Bank of Communications (PBCom)	-	2,626,512
	2,235,000	8,061,512
<u>Fixed Rate Treasury Notes (FXTN)</u>		
Metropolitan Bank and Trust Company (MBTC) – restricted	6,000,000	6,000,000
Robinsons Bank – restricted	3,500,000	3,550,236
	9,500,000	9,550,236
<u>Corporate Bonds</u>		
Philippine National Bank (PNB)	13,500,000	3,900,000
Land Bank of the Philippines (LBP)	8,000,000	5,000,000
	21,500,000	8,900,000
	P134,154,309	P113,958,263

*P10 million – restricted

The following are the details of the investments:

- **Treasury Bills**

The treasury bills represent five (5) short-term, zero-coupon investments in quoted government debt securities which are issued at a discount on their face value. The four (4) treasury bills purchased through Land Bank of the Philippines (LBP) with interest rates ranging from 5.150% to 5.660% that will mature on April 8, 2026, June 3, 2026, July 15, 2026 and September 16, 2026, respectively. A one (1) treasury bills purchased through Bank of the Philippine Islands (BPI) with interest rate of 5.215% and will mature on March 4, 2026

The roll forward analysis of this account is as follows

December 31, 2025	Face Value	Discount (Premium)	Carrying Amount
Land Bank of the Philippines	P26,000,000	(P570.672)	P25,429,328
Bank of the Philippine Islands (BPI)	1,000,000	(4,231)	996,769
	P27,000,000	(P574,903)	P26,425,097

- **Retail Treasury Bonds**

These are investments in quoted government debt securities with the following features:

- a) The five (5) retail treasury bonds purchased at cost/discounts through LBP have yield to maturity rates ranging at 5.315% to 6.00% that will mature on March 4, 2027, on June 2, 2027 for two (2) RTBs, and on August 20, 2030 for two (2) RTBs on, respectively. A one (1) retail treasury bond amounting to P=10 million purchased at cost that will mature on August 22, 2028 has coupon rate at 6.125% is held by the Bureau of Treasury;
- b) The seven (7) retail treasury bonds purchased at discounts/premiums through CBC have yield to maturity rates ranging at 4.625% to 6.25% that will mature on March 9, 2027 for 3 RTBs, June 2, 2027 for 3 RTBs and February 28, 2029, respectively;
- c) The two (2) retail treasury bonds purchased at cost through Robinsons Bank have coupon rates at 4.625% and 5.75% that will mature on June 2, 2027 and March 7, 2028, respectively and held by the Bureau of Treasury;

- d) The two (2) retail treasury bonds purchased at discounts through PNB have coupon rates at 5.75% that will mature on March 7, 2028;
- e) The retail treasury bonds purchased at cost through DBP have coupon rate at 4.875 that will mature on March 4, 2027.
- f) The retail treasury bonds purchased at cost through MBTC have coupon rate at 6.125% that will mature on October 24, 2037 held by the Bureau of Treasury;
- g) The two (2) retail treasury bonds purchased at discounts and premiums through BPI have interest rate at 5.75% and 5.845% that will mature on June 2, 2027 and August 20, 2030, respectively;
- h) A one (1) retail treasury bond purchased at premiums through Security Bank that will mature March 7, November 28, 2024 has yield to maturity rate at 5.65%'

- Long-Term Time Deposits

This is composed of investments with the following features:

- a) The 2 investments in BMI will mature on June 4, 2026 and January 4, 2028 with interest rates at 3.25% and 5%, respectively;
- b) The investment in PNB matured on January 8, 2025 with interest rate at 1.20%;
- c) The 2 investments in PCom matured on September 7, 2025 with interest rate at 2.50%.

- Fixed Rate Treasury Notes (FXTN)

These are medium to long-term negotiable and transferable debt instruments of the National Government issued by the Bureau of Treasury. Generally, these notes pay a higher rate of return than time deposits with a similar tenor and offer semi-annual interest income throughout the tenor if held until maturity. The FXTN purchased through MBTC will mature on July 22, 2031 with coupon rate at 4%. The FXTN purchased through Robinsons Bank will mature on August 17, 2033 with coupon rate at 6.625% Both investments are held by the Bureau of the Treasury.

- Corporate Bonds

These investments are debt securities issued by publicly held corporations to raise money for expansion or other business needs. The investments placed through PNB amounting to P13,500,000 with interest rates ranging from 5.50% to 7.6348% that will mature in between July 2027 to December 2030. The investments placed through LBP amounting to P8,000,000 with interest rates at 5.8846% and 8.0% that will mature on July 14, 2027 and May 27, 2030.

Investment in Equity Securities Accounted at Fair Value through Other Comprehensive Income (FVTOCI)

The 2025 investment consists of the Unit Investment Trust Fund (UITF) investments in BPI's Bayanihan Balanced Fund initially purchased at P=10 million and the fair value of the investment at the end of 2025 and 2024 amounted to P=12,428,044 and P=11,826,610, respectively. The changes in the value of the investments amounted to P=601,434 and P=1,826,610 in 2025 and 2024, respectively are recognized in other comprehensive income for the year.

Investment in Equity Securities Accounted at Fair Value through Profit or Loss (FVTPL)

This is an investment in the Mutual Security Fund managed by Union Bank of the Philippines' Trust and Investment Services Group. The Association earns dividends from these investments and when there is significant and apparently permanent decline in value of the investment, as indicated by prolonged losses of the investee (and other factors), the carrying amount of the investments are written down to fair value.

Restrictions on Investments in Debt Securities

The Association assigns investments to the Insurance Commission (IC) to guaranty the benefits and security of

policyholders and creditors of the Association, in accordance with the provisions of The Amended Insurance Code (R.A. No. 10607). The Association assigned retail treasury bonds purchased through LBP, MBTC and Robinsons Bank, amounting to P29,500,000 to fully cover the Guaranty Fund of P25,570,534. (See Note 13.)

Analyses of Impairment in Fair Values of the Investments

The Association's management has determined from its monitoring of the investments that none of the invested funds are presently impaired.

Interest Earned on the Investments

The Association earned interest income from investments amounting P6,572,172 in 2025 and P2,336,608 in 2024.

Note 7

Receivables from Partners and Others

There were no receivables from partners during the last two years. The recorded receivables pertain to the interest on investments that were accrued at the end of the year. Please refer to Note 6.

Note 8

Other Current Assets

This account consists of:

<i>December 31,</i>	2025	2024
Unused office supplies	P174,776	P145,170
Other deposits	4,299	4,299
	P179,075	P149,469

Management believes that these assets were not impaired at the end of the year.

Note 9

Property and Equipment – At Cost

This consists of the following items which are recorded in the books at costs:

<i>December 31,</i>	2025	2024
Land	P3,621,020	P3,621,020
Building and improvements	3,992,550	4,055,030
Office furniture, fixtures and equipment	448,154	448,154
Information technology equipment	1,900,281	1,857,695
Transportation equipment	1,540,000	1,540,000
Construction in progress	9,154,412	–
Total	20,656,417	11,521,899
Less accumulated depreciation	5,531,770	5,570,111
Net Book Value	P15,124,647	P5,951,788

Construction in Progress (CIP) pertains to the ongoing renovation and the addition of a new floor at the rear of the Association's premises. Upon completion, this facility is intended to serve as training hall for members' continuous education regarding the products of the Association.

Reconciliation of the Movements of the Accounts

<u>December 31, 2025</u>	<u>Opening Balances</u>	<u>Additions</u>	<u>Retirements</u>	<u>Closing Balances</u>
Cost				
Land	P3,621,020	P –	P –	P3,621,020
Building and improvements	4,055,030	277,996	(340,476)	3,992,550
Office furniture, fixtures & equipt	448,154			448,154
Information technology equipment	1,857,695	42,586		1,900,281
Transportation equipment	1,540,000			1,540,000
Construction in progress		9,154,412		9,154,412
Total	11,521,899	9,474,994	(340,476)	20,656,417
<u>Less accumulated depreciation</u>				
Building and improvements	1,865,709	198,848	(340,476)	1,724,081
Office furniture, fixtures & equipt	402,064	25,522		427,586
Information technology equipment	1,772,338	77,765		1,850,103
Transportation equipment	1,530,000			1,530,000
Total	5,570,111	302,135	(340,476)	5,531,770
Net Book Value	P5,951,788	P9,172,859	P –	P15,124,647

December 31, 2024

Cost				
Land	P3,621,020	P –	P –	P3,621,020
Building and improvements	4,055,030			4,055,030
Office furniture, fixtures & equipt	435,546	12,608		448,154
Information technology equipment	1,846,697	10,998		1,857,695
Transportation equipment	1,540,000			1,540,000
Total	11,498,293	23,606		11,521,899
<u>Less accumulated depreciation</u>				
Building and improvements	1,679,241	186,468		1,865,709
Office furniture, fixtures & equipt	375,917	26,147		402,064
Information technology equipment	1,624,501	147,837		1,772,338
Transportation equipment	1,415,250	114,750		1,530,000
Total	5,094,909	475,202		5,570,111
Net Book Value	P6,403,384	(P451,596)	P –	P5,951,788

Note 10

Trade and Other Payables

This consists of the following:

<u>December 31,</u>	2025	2024
Accounts payable to members	P4,264,170	P4,364,863
Accounts payable to partners	3,635,618	3,895,804
Retirement benefit obligation	594,353	826,261
Other payables	489,138	–
	P8,983,279	P9,086,928

Accounts payable to members pertain to contributions received during the accounting period but not yet due or earned as of the end of 2025 and which is expected to become due within one year.

The accounts payable to partners represents the expenses incurred by member cooperatives and organized

groups for refund by the Association. It also includes the collection fee payable for the month of December 2025. Total collection costs amounted P7,745,723 in 2025 and P7,822,959 in 2024. Trade and other payables are non-interest-bearing and are generally on a 30-day or 60-day credit terms.

Retirement Benefit Obligation

The Association's regular/permanent employees are provided with retirement benefits beginning 2010, based on the 67% of the gross salaries of the entitled employees plus one-twelfth (1/12) of the 13th month pay. The policy defines the amount of retirement benefit an employee will receive at the time of retirement or separation from service. The legal obligation on the payment of the retirement benefits to the employees remains with the Association. The retirement plan is noncontributory and is presently unfunded.

The amounts recognized in the statement of financial position at the end of 2025 and 2024 follow:

Retirement Benefit Obligation Recognized in the Statement of Financial Position

<i>December 31,</i>	2025	2024
Present value of retirement benefit obligation	P594,353	P826,261
Less fair value of retirement plan asset	-	-
Net	P594,353	P826,261

Total pension expenses charged to operations amounted to P=138,005 in 2025 and P375,597 in 2024. (See Note 17.)

The amount recorded as retirement benefit obligation was proved to sufficiently cover the amount certified by the Association's Actuary.

Components of Retirement Expense in the Statement of Profit or Loss and Other Comprehensive Income

<i>Years Ended December 31,</i>	2025	2024
Current service cost	P87,283	P340,665
Interest cost on benefit obligation	50,722	34,932
Total charged to profit or loss	138,005	P375,597

Changes in the Present Value of the Retirement Benefit Obligation

<i>December 31,</i>	2025	2024
Opening balances	P826,261	P569,035
Current service costs	87,283	340,665
Interest cost	50,722	34,932
Benefits paid during the year	-	(277,155)
Actuarial gain - changes in financial assumptions	(62,038)	-
Actuarial loss – changes in demographics/experience	(307,875)	158,784
	P594,353	P826,261

Amount Recognized in Other Comprehensive Income

<i>December 31,</i>	2025	2024
Actuarial (gain) loss on obligation due to:		
Changes in financial assumptions (change in the discount rate)	(P62,038)	P –
Changes in demographics/experience	(307,875)	158,784
Closing balances	(P369,913)	P158,784

Principal Assumptions Used to Determine Pension Obligation

<i>December 31,</i>	2025	2024
Discount rate	6.58%	6.14%
Salary increase rate	3.33%	3.33%
Average expected working lives of employees	21.94	20.07

The Association has not yet established a retirement plan asset.

Sensitivity Analysis

The sensitivity analysis has been determined based on reasonable possible changes of each significant assumption on the defined benefit obligation as of December 31, 2025, assuming all other assumptions were held constant.

	<i>Change in Assumption</i>	<i>Revised PVBO December 31</i>	<i>Increase (Decrease) in PVBO</i>
Discount rate	Increase by 1%	₱477,218	(₱117,134)
	Decrease by 1%	743,538	149,186
Salary increase rate	Increase by 1%	740,015	145,663
	Decrease by 1%	477,552	(116,800)

Note 11

Insurance Contract Liabilities

This consists of claims incurred but not reported such as for the following:

<i>December 31,</i>	2025	2024
Credit life policies	₱366,447	₱271,133
Basic life policies	257,005	735,349
Golden life policies	37,717	139,271
	₱661,169	₱1,145,753

Incurred but not reported claims are claims reported beyond the reporting date whose date of claim happened three months before the reporting date. For 2025, claims reported in the months of November 2025, December 2025 and January 2025 whose date of death/claim is before November 1, 2025 are included in this category.

The amounts recorded as insurance contract liabilities were certified by the Association's Actuary to be in accordance with sound actuarial principles. Total basic and optional benefits paid to members amounted ₱5,701,822 in 2025 and ₱6,021,145 in 2024.

Note 12

Aggregate Reserves for Unexpired Risks

This consists of the following reserves:

<i>December 31,</i>	2025	2024
Aggregates reserves for members' equity	₱91,069,768	₱82,735,920
Aggregates reserves for credit policies	3,227,284	4,477,654
Aggregates reserves for golden life policies	2,968,018	2,209,667
Aggregates reserves for life policies	1,550,317	37,566
	₱98,815,387	₱89,460,807

The aggregate policy reserves represent the amount which is considered adequate to cover future guaranteed benefits as they become payable under the provisions of the policies in force. The reserve is the aggregate value of future guaranteed benefits less the present value of future net premiums.

In accordance with the provisions of the Insurance Code, every outstanding membership certificate must have, after three (3) full years of being continuously in force, an equity value to at least 50% of the total membership dues collected from the member less claims paid. The equity is payable to the members upon termination of their membership in the Association. In accordance with the same Code, the Association is required to put up a reserve liability not lower than the equity value of all in-force, active certificates as at the end of each calendar year; hence, the Association sets up the 50% of its gross premium collections as its reserves for members' equity.

The reserve for credit life insurance represents the amount which is considered adequate to cover future guaranteed benefits on a debtor pursuant to or in connection with his/her specific loans and other credit transactions with the members of the Association. The reserve for life policies represents the amount which is considered adequate to cover future guaranteed benefits as they become payable under the provisions of the policies in force. The reserve is the aggregate value of future guaranteed benefits less the present value of future net premiums. The reserve for golden life policies is an extension of the basic life policies with lifetime security.

The amounts of aggregate reserves for members' equity, credit policies and reserves for life policies for the years reported have been computed and certified by the Consulting Actuary of the Association to be in accordance with commonly accepted actuarial standards and with the Guidelines and Standards of the Actuarial Society of the Philippines consistently applied and are fairly stated in accordance with sound actuarial principles.

The movements of the aggregate reserves during the year are as follows:

<i>December 31, 2025</i>	<i>Reserves for Members' Equity</i>	<i>Reserves for Credit Policies</i>	<i>Reserves for Life Policies</i>	<i>Reserves for Gol- den Life Policies</i>	<i>Total</i>
Balances as of Dec. 31, 2015	₱30,216,898	₱1,366,534	₱210,357	₱-	₱31,793,789
Provisions during 2016	5,462,896	490,447	(29,704)		5,923,639
Provisions during 2017	4,808,242	202,930	48,291		5,059,463
Provisions during 2018	7,205,514	1,021,392	(46,455)		8,180,451
Provisions during 2019	5,323,728	427,472	(23,482)	82,420	5,810,138
Provisions during 2020	6,747,476	(210,041)	127,838	123,965	6,789,238
Provisions during 2021	5,840,760	2,294,221	(81,554)	281,254	8,334,681
Provisions during 2022	5,546,128	(706,612)	(49,083)	488,767	5,279,200
Provisions during 2023	5,187,521	(48,609)	12,141	556,698	5,707,751
Provisions during 2024	6,396,757	(360,080)	(130,783)	676,563	6,582,457
Balances, December 31, 2024	82,735,920	4,477,654	37,566	2,209,667	89,460,807
Provisions during 2025	8,333,848	(1,250,370)	1,512,751	758,351	9,354,580
Balances, December 31, 2025	₱91,069,768	₱3,227,284	₱1,550,317	₱2,968,018	₱98,815,387

Note 13
Guaranty Fund

This represents the amount required by the Insurance Commission (IC) to be established to guaranty the benefits and security of policyholders and creditors of the Association, in accordance with the provisions of The Amended Insurance Code (R.A. No. 10607). Every member of the Association is required to contribute equivalent to 5% of its weekly premium contribution as its contribution to the Guaranty Fund.

The following is the accounting of the Guaranty Fund:
(Please see table next page.)

<i>December 31,</i>	2025	2024
Opening balances	₱23,566,828	₱21,566,214
Contribution from members representing 5% of total premiums received	1,961,456	2,000,614
Closing balances	₱25,528,284	₱23,566,828

The Guaranty Fund is invested in quoted government debt securities held by the Bureau of the Treasury restricted in accordance with the policies set forth by the IC. (See Note 6.)

Note 14
Appropriated Special Funds

This account is composed of the following, which are appropriated from General Fund and net surplus for the year:

<i>December 31,</i>	2025	2024
Members' Benefits Fund	₱13,710,146	₱7,564,336
Capacity Building Fund	4,446,760	3,372,707
Education and Training Fund	7,240,738	3,946,009
Research and Product Development Fund	3,336,775	1,761,987
Community Development Fund	1,826,820	2,020,629
EDP Program Fund	5,079,715	2,107,047
Closing balances	₱35,640,954	₱20,772,715

The appropriated funds are funded by the cash and cash equivalents of the Association. (See Note 5.)

The movements of the appropriated funds during 2025 and 2024:

<i>December 31, 2025</i>	<i>Opening Balances</i>	<i>Allocations</i>	<i>Disbursements</i>	<i>Closing Balances</i>
Members' Benefits Fund	₱7,564,336	₱6,898,935	(₱753,125)	₱13,710,146
Capacity Building Fund	3,372,707	1,724,734	(650,681)	4,446,760
Education and Training Fund	3,946,009	3,449,467	(154,738)	7,240,738
Research & Product Dev't Fund	1,761,987	1,724,734	(149,946)	3,336,775
Community Development Fund	2,020,629		(193,809)	1,826,820
EDP Program Fund	2,107,047	3,449,467	(476,799)	5,079,715
	₱20,772,715	₱17,247,337	(₱2,379,098)	₱35,640,954

<i>December 31, 2024</i>	<i>Opening Balances</i>	<i>Allocations</i>	<i>Disbursements</i>	<i>Closing Balances</i>
Members' Benefits Fund	₱8,351,540	₱-	(₱787,204)	₱7,564,336
Capacity Building Fund	3,969,288		(596,581)	3,372,707
Education and Training Fund	4,039,035		(93,026)	3,946,009
Research & Product Dev't Fund	1,933,758		(171,771)	1,761,987
Community Development Fund	2,134,121		(113,492)	2,020,629
EDP Program Fund	2,375,848		(268,801)	2,107,047
	₱22,803,590	₱-	(₱2,030,875)	₱20,772,715

Note 15
General Fund

This represents portion of the fund balance that is not restricted. According to Section 408, paragraph 3 of the Insurance Code, as amended (R.A. No. 10607), a mutual benefit association shall only maintain free and unassigned surplus of not more than twenty percent (20%) of its total liabilities. Any amount in excess shall be

returned to the members by way of dividends, enhancing the equity value or providing benefits in kind and other relevant services. In addition, subject to the approval of the Commissioner, a mutual benefit association may allocate a portion for capacity building and research and development, upgrading and improving operating systems and equipment, and continuing member education.

The Association's General Fund already breached the 20% threshold of its total liabilities at the end of 2025, amounting to ₱14,217,934. The Association's management however has not yet assigned the excess surplus but will propose to the Insurance Commission (IC) the establishment of special funds to absorb the excess portion of the Fund.

Note 16

Members' Premium Contributions

The Association's members are charged twenty pesos (₱20.00) per week or eighty pesos (₱80.00) per month, during their active membership in the Association. In accordance with the Implementing Rules and Regulations of the Association approved by the Insurance Commission (IC), the Association allocates the contributions as follows:

- (a) 50% is allocated as reserve for members' equity intended for the members' entitlements of equity value;
- (b) 30% is intended to cover basic benefits such as payments for death or total and permanent disability claims of a member or its legal spouse, or any of the members' biological and/or 2 legally adopted children who are two weeks old to 21 years old single and must be living with the member. If single without children, the members' legal dependents include the member's biological parents not more than 65 years. If a member is single and with children, the member's legal dependents are all biological and/or legally adopted children who are two weeks old to 21 years old and must be living with the member;
- (c) 5% is intended as additional guaranty fund; and
- (d) 15% is intended to cover administrative costs and expenses.

Every outstanding membership certificate must have, after three (3) full years of being continuously in force, an equity value to at least 50% of the total membership dues collected from the member less claims paid. The equity is payable to the members upon termination of their membership in the Association.

Every year, a number of members withdrew their equity from the Association. During 2025 and 2024, the total value of equity withdrawn amounted ₱3,106,661 and ₱2,599,715, respectively. The withdrawal of equity is treated as part of the benefits paid to members.

Gross premiums on credit life insurance plan are income from loans on member which are deducted upfront in the payment of the loan. The amount of contribution is based on the principal amount and term of loans.

Total premiums collected are as follows:

<i>Years Ended December 31,</i>	2025	2024
Gross members' premium contributions for credit life policies	₱21,793,956	₱22,024,143
Gross members' premium contributions on life policies	16,545,420	17,250,375
Gross members' premium contributions for golden life policies	889,738	737,770
	₱39,229,114	₱40,012,288

Membership Fees

The members are also charged with one-time membership fee of ₱150, which is non-refundable and does not

form part of the members' accumulated and refundable contributions. The membership fee is intended to cover expenses incurred in processing the membership application. The amount is treated as income to finance part of the requirements for general and administrative expenses not covered by the 15% allocation from gross premium contributions.

Total membership fees collected amounted ₱571,960 in 2025 and ₱532,040 in 2024.

Note 17

Details of Compensation and Employees' Benefits

<i>Years Ended December 31,</i>	2025	2024
Short-term employees' benefits	₱4,649,520	₱3,943,662
Post-employment benefits <i>(Note 10)</i>	138,005	375,597
	₱4,787,525	₱4,319,259

Note 18

Details of General and Administrative Expenses

<i>Years Ended December 31,</i>	2025	2024
Communication	₱396,449	₱352,430
Meetings and conferences	393,354	406,316
Transportation and travel	324,412	477,654
Utilities expense	238,090	230,211
Office supplies	172,722	105,370
Repairs and maintenance	157,501	36,845
Technical and professional fees	155,770	246,520
Taxes, licenses and fees <i>(Note 25)</i>	137,638	215,032
Representation expense	57,098	94,369
Insurance	52,668	63,220
Others (Social and Community Service Expense)	47,389	–
Bank and other charges	41,903	13,204
Miscellaneous	78,169	190,835
	₱2,253,163	₱2,432,006

Note 19

Related Party Transactions

Parties are considered to be 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. Parties are also considered to be related if they are subject to common control or common significant influence. Transactions with related parties are made at normal market prices. None of the transactions incorporate special terms and conditions and no guarantee is given or received. Outstanding balances are usually settled in cash.

Significant of these related party transactions are as follows:

- a. In the ordinary course of trade or business, the Association accepts insurance business from the borrowers of member cooperatives. Total annual gross members' premium contributions for life, credit and golden life policies amounted ₱39,229,114 in 2025 and ₱40,012,288 in 2024. (See Note 16.)
- b. The member-cooperatives serve as the collecting partners of the Association for certain collection fees. Collection costs incurred amounted ₱7,745,723 in 2025 and ₱7,822,959 in 2024. (See Note 10.)

- c. In the ordinary course of trade or business, the Association cedes insurance contracts to First Life Financial Co., Inc. (1st Life) beginning July 2017; 1Cooperative Insurance System of the Philippines (1CISP) beginning July 2016 and National Reinsurance Corporation of the Philippines (NATRe) beginning March 2021.
- d. The key management personnel of the Association include all personnel having a position of General Manager and above. The key management compensation amounted ₱850,975 and ₱654,340 in 2025 and 2024, respectively.

Note 20

Fair Value Measurement

Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The following table summarizes the fair value hierarchy of the Association's financial assets and liabilities which are not measured at fair value in the 2025 and 2024 statement of financial condition but for which fair value is disclosed.

<i>December 31, 2025</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
<i>Financial assets</i>				
Cash and cash equivalents (Note 5)	₱48,066,123	₱-	₱-	₱48,066,123
Receivables from partners & others (Note 7)			409,805	409,805
Inv. in debt & equity securities (Note 6)	147,080,184			147,080,184
	₱195,146,307	₱-	₱409,805	₱195,556,112
<i>Financial liabilities</i>				
Trade and other payables (Note 10)	₱-	₱-	₱8,983,279	₱8,983,279
Insurance contract liabilities (Note 11)			661,169	661,169
Aggregate reserves for risks (Note 12)			98,815,387	98,815,387
	₱-	₱-	₱108,459,835	₱108,459,835
<i>December 31, 2024</i>				
<i>Financial assets</i>				
Cash and cash equivalents (Note 5)	₱56,141,508	₱-	₱-	₱56,141,508
Receivables from partners & others (Note 7)			860,452	860,452
Inv. in debt & equity securities (Note 6)	126,264,005			126,264,005
	₱182,405,513	₱-	₱860,452	₱183,265,965
<i>Financial liabilities</i>				
Trade and other payables (Note 10)	₱-	₱-	₱9,086,928	₱9,086,928
Insurance contract liabilities (Note 11)			1,145,753	1,145,753
Aggregate reserves for risks (Note 12)			89,460,807	89,460,807
	₱-	₱-	₱99,693,488	₱99,693,488

For financial assets and financial liabilities with fair values included in Level 1, management considers that the carrying amounts of those short-term financial instruments equal their fair values. The fair values of the financial assets and financial liabilities included in Level 3 above which are not traded in an active market is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument. When the association uses valuation technique, it maximizes the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

Fair Value Measurement for Non-Financial Assets

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis as of December 31, 2025 and 2024.

<i>December 31, 2025</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Other current assets (Note 8)	₱-	₱-	₱179,075	₱179,075
Property and equipment – net (Note 9)			15,124,647	15,124,647
	₱-	₱-	₱15,303,722	₱15,303,722
<hr/>				
<i>December 31, 2024</i>				
Other current assets (Note 8)	₱-	₱-	₱149,469	₱149,469
Property and equipment – net (Note 9)			5,951,788	5,951,788
	₱-	₱-	₱6,101,257	₱6,101,257

The Level 3 fair value of the buildings and improvements included under the Property and Equipment account was determined using the cost approach that reflects the cost to a market participant to construct an asset of comparable usage, construction standards, design and layout, adjusted for obsolescence. The more significant inputs used in the valuation include direct and indirect costs of construction such as but not limited to, labor and contractor’s profit, materials and equipment, surveying and permit costs, electricity and utility costs, architectural and engineering fees, insurance and legal fees. These inputs were derived from various suppliers and contractor’s quotes, price catalogues, and construction price indices. Under this approach, higher estimated costs used in the valuation will result in higher fair value of the properties.

Note 21

Capital Management Objectives, Policies and Procedures

The Association’s capital management objectives are: (1) to ensure the Association’s ability to continue as a going concern, and (2) to ensure sufficient solvency margins to adequately protect its members. To attain these objectives, the Association maintains a certain level of capital that is usually higher than the minimum requirements set by the Insurance Commission (IC). To ensure compliance with IC-imposed capital requirements, it is the Association’s policy to monitor its entire equity (fund balance section of its statement of financial position) on a quarterly basis as part of the Association’s internal financial reporting process.

Compliance with Capitalization Requirements

In accordance with the provisions of Chapter VII, Title 1, Section 405 of R.A. 10607, *The Amended Insurance Code*, a mutual benefit association incorporated after the effectivity of the Code shall constitute and establish a Guaranty Fund with initial amount of ₱5 million, in cash or in government securities, to answer for any valid benefit claim of any of its members.

The Association has fully complied with this requirement by having established its Guaranty Fund of ₱25,528,284 (Note 13) and having funded it with investments in debt securities amounting to ₱29,500,000, with excess funds of ₱3,971,716 (See Note 6.) These funds are intended to be higher than the required level of Guaranty Fund to allow the Association adequate flexibility in dealing with certain contingencies. The Association will add deposits in 2026 to ensure full compliance of the Guaranty Fund requirement at the end of 2026.

Note 22

Risk Management Objectives and Policies

The Association is exposed to various risks in relation to financial instruments. The Association’s principal financial instruments are its cash and cash equivalents (Note 5), investments in debt and equity securities (Note 6), receivables from partners and others (Note 7), trade and other payables (Note 10), insurance contract liabilities (Note 11) and aggregate reserves for unexpired risks (Note 12). The main types of risks are

insurance risk, credit and concentration risks, market risk and liquidity risk. The Association is not exposed to foreign currency risk since it has no foreign currency deposits. In 2024, the Association purchased financial instruments as part of its investment strategies. The Association is now exposed to investment risks beginning 2025.

The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Association's financial performance and financial position. The Association actively measures, monitors and manages its financial risk exposures by various functions pursuant to the segregation of duties principle.

Risk Management Structure

The Board of Trustees is mainly responsible for the overall risk management and for the approval of risk strategies and principles of the Association. The Board of Trustees also has the overall responsibility for the development of risk strategies, principles, frameworks, policies and limits. It establishes a forum of discussion of the Association's approach to risk issues in order to make relevant decisions.

Insurance Risk

The principal risk the Association faces under insurance contracts is the risk that the actual claims and benefit payments exceed the carrying amount of recognized insurance liabilities. This situation 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 amount of reserves set-up in the books is computed by the Actuarial Consultant and monitored on a regular basis.

Credit and Concentration Risks/Investment Risk

Credit risk refers to the risk that counterparty will default and/or not honor its financial or contractual obligations resulting in financial losses to the Association. The Association is exposed to credit risk from financial assets including its cash held in banks, receivables from agents and others and investments in financial instruments. The credit risk in respect of cash balances held with banks and time deposits with banks are managed via diversification of bank deposits and are only with major reputable financial institutions and are regularly monitored. Trade receivables consist of premiums receivable from active members and from the unremitted premium collections by the agent-affiliate. The Association does not hold any security on the receivables from agents and others balance and the accounts are monitored on an ongoing basis with the result that the Association's exposure to impairment is not significant.

The investment risk related to investments in financial instruments represents the exposure to loss resulting from cash flows from invested assets being less than the cash flows required to meet the obligations of the expected policy and contract liabilities and the necessary return on investments. To maintain an adequate yield to match the interest necessary to support future policy liabilities, the Board of Trustees is investing only on Government financial instruments which are fairly safe investments.

The Association deals only with creditworthy counterparties duly approved by the Board of Trustees. Its maximum exposure to credit risk for the components of the statements of financial position is the carrying amounts as shown in the following table:

<i>December 31, 2025</i>	<i>Neither Past Due Nor Impaired</i>	<i>Past Due But Not Impaired</i>	<i>Total</i>
Cash and cash equivalents (Note 5)	P48,066,123	P-	P48,066,123
Receivables from partners & others (Note 7)	409,805		409,805
Inv. in debt & equity securities (Note 6)	147,080,184		147,080,184
	P195,556,112	P-	P195,556,112
	100.00%	0.00%	100.00%

<i>December 31, 202</i>	<i>Neither Past Due Nor Impaired</i>	<i>Past Due But Not Impaired</i>	<i>Total</i>
Cash and cash equivalents <i>(Note 5)</i>	P56,141,508	P-	P56,141,508
Receivables from partners & others <i>(Note 7)</i>	860,452		860,452
Inv. in debt & equity securities <i>(Note 6)</i>	126,264,005		126,264,005
	P183,265,965	P-	P183,265,965
	100.00%	0.00%	100.00%

Credit Quality by Class of Financial Assets Based on the Association's Rating System

<i>December 31, 2025</i>	<i>High Grade</i>	<i>Standard Grade</i>	<i>Impaired</i>	<i>Total</i>
Cash and cash equivalents <i>(Note 5)</i>	P48,066,123	P-	P-	P48,066,123
Receivables from partners/others <i>(Note 7)</i>	409,805			409,805
Inv. in debt & equity securities <i>(Note 6)</i>	147,080,184			147,080,184
	P195,556,112	P-	P-	P195,556,112
<i>December 31, 2024</i>				
Cash and cash equivalents <i>(Note 5)</i>	P56,141,508	P-	P-	P56,141,508
Receivables from partners/others <i>(Note 7)</i>	860,452			860,452
Inv. in debt & equity securities <i>(Note 6)</i>		126,264,005		126,264,005
	P57,001,960	P126,264,005	P-	P183,265,965

Financial instruments classified as "high grade" are those cash transacted with reputable local banks and receivables with no history of default on the agreed contract terms. Financial instruments classified as "standard grade" are those receivables from parties who need to be reminded of their duties. No financial assets were deemed by management as impaired.

Market Risks

Market risk is the possibility that changes in equity prices or interest rates will adversely affect the value of the Association's assets, liabilities or expected future cash flows. The Association has no exposure arising from complex investments since it is not engaging in high-risk investments, forward contracts, hedging, and the likes, whether local or foreign transactions.

(a) **Price risk.**

The Association has no exposure to price risks as its investments in quoted equity and debt securities are of fixed interest rates.

(b) **Interest rate risk.**

The Association's interest rate risk arises from its time deposits with banks. The Association invested in fixed rate deposits to mitigate the risks.

(c) **Foreign currency exchange rate risk.**

The Association is not exposed to foreign currency risks as it has no assets nor liabilities denominated in foreign currency.

Liquidity Risks

Liquidity risk is that the Association might be unable to meet its obligations. The Association's objectives to manage its liquidity profile are: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost. The Association manages its liquidity by carefully monitoring its scheduled servicing payments for financial liabilities as well as its cash flows due on its day-to-day business. The data used for analyzing these cash flows is consistent with that used in the contractual maturity analysis in the following table.

Net cash requirements are compared to available cash position in order to determine headroom or any shortfalls. This analysis shows that available cash position is expected to be sufficient over the lookout period.

The Association considers its expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Association's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from receivables from agents and others are all contractually due within six months.

Maturity Profile of the Association's Financial Liabilities

<i>December 31, 2025</i>	<i>Due in One Year</i>	<i>Due Over One Year</i>	<i>Total</i>
Trade and other payables (Note 10)	P8,983,279	P-	P8,983,279
Insurance contract liabilities (Note 11)	661,169		661,169
Aggregate reserves for unexpired risks (Note 12)		98,815,387	98,815,387
	P9,644,448	P98,815,387	P108,459,835
	8.89%	91.11%	100.00%

Note 23

Commitments and Contingencies

There are recognized provisions in the statements of financial position that arise in the normal course of business operations. There may also have been commitments and contingencies that arose in the normal course of business that were not reflected in the Association's financial statements. Management anticipates no material losses, if any, that may arise from these commitments and contingencies, and these losses, if any, will not materially affect its financial statements.

Note 24

Authorization of Financial Statements

The Association's financial statements as of and for the year ended December 31, 2025 were authorized for issue by the Association's management on April 24, 2026.

Note 25

Details of Taxes, Licenses and Fees

In accordance with the supplementary information required under Revenue Regulations No. 15-2010, the Association discloses the following

<i>Years Ended December 31,</i>	2025	2024
License renewal and filing fees	P120,850	P191,550
Local taxes/fees (business permits, etc.)	8,283	20,972
Penalties and surcharges	5,500	-
Vehicle registration	3,005	2,010
BIR annual registration	-	500
	P137,638	P215,032

There are no pending assessments related to tax deficiencies at the end of the year.

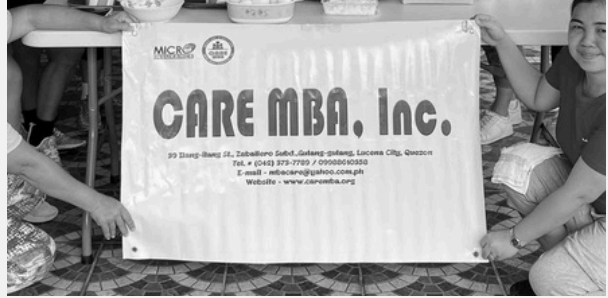
2025



15TH ANNUAL GENERAL MEETING



The 15th Annual General Meeting of CARE MBA, Inc. with a theme: “Building Stronger Partnership Through Microinsurance,” was held on May 30, 2025 at St. Jude Coop Hotel and Event Center in Tayabas City.



16TH FOUNDING ANNIVERSARY Celebration



In celebration of its 16th Founding Anniversary on April 1, 2025, the office organized a Zumba activity to promote wellness and camaraderie among employees. The event fostered a lively and engaging atmosphere, highlighting the organization's commitment to both employee well-being and a strong sense of community.





OCTOBER 2025
GOOD GOVERNANCE AND AMLA WORKSHOP



JANUARY 2025
NATIONAL MICROINSURANCE
FORUM



AUGUST 2025
MANAGEMENT FORUM

TRAININGS ATTENDED

2025



NOVEMBER 2025
AOA SEMINAR IN
SOUTH KOREA



MARCH 2025
MI-MBA LEADERSHIP FORUM FOR
NANAY LIDERS



JULY 2025
DSWD SLP - QUEZON
PARTNERSHIP

Social

RESPONSIBILITY TO THE COMMUNITY

Brigada Eskela



Dental Mission



2025



Gift Giving

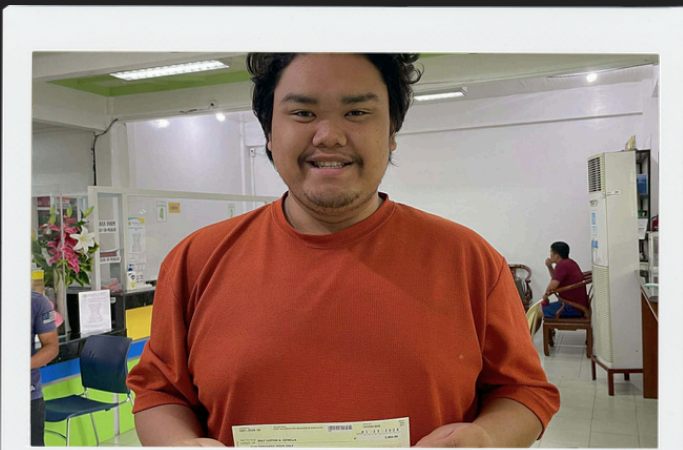
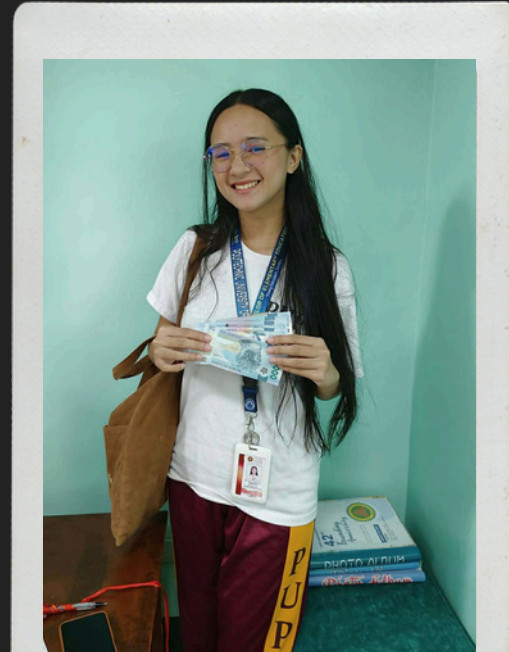


Women's Month Celebration



THE SCHOLARS

CARE MBA, Inc. **scholarship program** continues to support deserving individuals by providing access to quality education and opportunities for personal and professional growth. Through this initiative, scholars are empowered to pursue their academic goals, develop their potential, and contribute meaningfully to their communities, reflecting the organization's commitment to inclusive development and long-term impact.





Ground Breaking
NEW BUILDING



3D MODEL OF NEW BUILDING



MOA & CONTRACT



COOPERATIVES' GENERAL ASSEMBLY MEETING



PEARLS MPC



QUEZON FEDERATION AND UNION OF COOPERATIVES



ST. JUDE MPC



CAWAYAN II FARMERS MPC



LEAF MPC



DSWD-SLP 4-A



EDITORIAL COMMITTEE & CONTRIBUTORS

2025



MARIANNE C. CASTRO
GILDA R. BABASA
MA. LOURDES E. QUESEA

2025



15TH ANNUAL GENERAL MEETING



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