

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

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

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

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U	B	D	I	V	I	S	I	O	N	,		S	A	N		P	A	B	L	O		C	I	T	Y	,		L	A
G	U	N	A																										

Form Type

A	A	F	S
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Department requiring the report

S	E	C
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Secondary License Type, If Applicable

N	/	A
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COMPANY INFORMATION

Company's Email Address

ci.compliance@cardmri.com

Company's Telephone Number

(049) 561-2018

Mobile Number

Not Applicable

No. of Stockholders

Not Applicable

Annual Meeting (Month / Day)

3rd Saturday of March

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Mr. Vicente P. Briones Jr.

Email Address

vicente.briones@cardmri.com

Telephone Number/s

(049) 562-4309

Mobile Number

09209484462

CONTACT PERSON's ADDRESS

Jeans Ville Subd., Brgy. Sto. Angel, San Pablo City, Laguna

NOTE 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident 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.

2 : All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Center for Agriculture and Rural Development (CARD), Inc.
(A Microfinance NGO)
20 M.L. Quezon Street
City Subdivision, San Pablo City, Laguna

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of Center for Agriculture and Rural Development (CARD), Inc. (A Microfinance NGO) ("the Organization"), which comprise the parent company statements of assets, liabilities and fund balance as at December 31, 2024 and 2023, and the parent company statements of revenue over expenses, parent company statements of comprehensive income, parent company statements of changes in fund balance and parent company statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Parent Company Financial statements* section of our report. We are independent of the Organization in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the parent company 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 Parent Company Financial statements

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

In preparing the parent company financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.



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

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

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

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

- Identify and assess the risks of material misstatement of the parent company 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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Report on the Supplementary Information Required Under Revenue Regulations 15-2010 and Section 175 of the Manual of Regulations for Non-Banks Financial Institutions (MORNBFI)

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 31 and Section 175 of the MORNBFI in Note 32 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and the BSP and is not a required part of the basic financial statements. Such information is the responsibility of the management of Center for Agriculture and Rural Development (CARD), Inc (A Microfinance NGO). The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Bryan Chrisnel M. Baes

Partner

CPA Certificate No. 128627

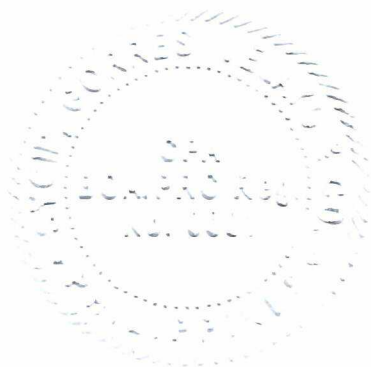
Tax Identification No. 275-229-188

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-148-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10465262, January 2, 2025, Makati City

April 29, 2025



**CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT (CARD), INC.
(A Microfinance NGO)**

**PARENT COMPANY STATEMENTS OF ASSETS, LIABILITIES AND FUND
BALANCE**

	December 31	
	2024	2023
ASSETS		
Cash and Cash Equivalents (Notes 6 and 27)	₱2,461,196,950	₱1,765,539,652
Short-term Investments (Notes 7 and 27)	548,414,321	422,023,283
Receivables		
Receivables from members (Note 8)	16,445,216,382	14,405,649,895
Due from affiliates (Notes 9 and 27)	66,577,230	780,896
Other receivables (Note 10)	231,522,205	252,323,290
Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) (Notes 11 and 27)	200,765,298	151,676,051
Investments in Subsidiaries and Associates (Note 12)	5,767,120,116	4,362,153,708
Property and Equipment (Note 13)	270,202,827	226,942,090
Investment Properties (Note 14)	31,507,093	33,555,153
Retirement Asset (Note 21)	396,753,213	408,411,025
Other Assets (Note 15)	123,814,848	133,684,318
	₱26,543,090,483	₱22,162,739,361
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable and Other Liabilities (Note 19)	₱468,289,437	₱486,113,398
Capital Build-up (Note 17)	7,708,897,121	6,898,256,336
Borrowings (Note 18)	327,000,500	1,249,403,000
	8,504,187,058	8,633,772,734
FUND BALANCE ATTRIBUTABLE TO PARENT COMPANY		
Fund Balance		
General fund	17,763,176,514	13,323,303,620
Restricted fund (Note 28)	145,725,696	136,930,681
Reserves		
Remeasurement gain on retirement plan (Note 21)	33,897,355	96,596,131
Equity in other comprehensive income (loss) of associates (Note 12)	70,057,447	(12,632,271)
Unrealized gain (loss) on financial assets at FVOCI (Note 11)	26,046,413	(15,231,534)
	18,038,903,425	13,528,966,627
	₱26,543,090,483	₱22,162,739,361

See accompanying Notes to Financial Statements.



CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT (CARD), INC.
(A Microfinance NGO)

PARENT COMPANY STATEMENTS OF REVENUE OVER EXPENSES

	Years Ended December 31	
	2024	2023
REVENUE AND OTHER INCOME		
Interest on loans (Note 8)	₱8,448,204,759	₱6,708,639,454
Service fee	90,672,794	82,371,410
Grants and donations (Note 24)	2,432,987	1,290,083
Other income (Note 25)	166,484,772	157,885,208
	8,707,795,312	6,950,186,155
COSTS AND EXPENSES		
Project-related expenses (Notes 22 and 27)	5,248,662,596	4,337,638,180
Other administrative expenses (Note 25)	360,776,329	275,978,164
Charitable contributions (Note 27)	69,504,194	138,082,559
Scholarship program	(46,304,060)	4,545,000
Health program	7,687,489	11,499,350
Research program	7,328,220	6,519,477
	5,647,654,768	4,774,262,730
EXCESS OF REVENUE OVER EXPENSES BEFORE SHARE IN NET INCOME OF ASSOCIATES AND SUBSIDIARIES	3,060,140,544	2,175,923,425
SHARE IN NET INCOME OF ASSOCIATES AND SUBSIDIARIES (Note 12)	1,585,743,273	1,258,754,268
EXCESS OF REVENUE OVER EXPENSES BEFORE INCOME TAX	4,645,883,817	3,434,677,693
PROVISION FOR INCOME TAX (Note 23)	193,042,838	154,154,799
EXCESS OF REVENUE OVER EXPENSES	₱4,452,840,979	₱3,280,522,894

See accompanying Notes to Financial Statements.



CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT (CARD), INC.
(A Microfinance NGO)

PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2024	2023
EXCESS OF REVENUE OVER EXPENSES	₱4,452,840,979	₱3,280,522,894
<i>Items that do not recycle to profit of loss</i>		
<i>in subsequent periods:</i>		
Change in remeasurement loss of retirement plan (Note 21)	(62,698,776)	(8,336,952)
Unrealized gain (loss) on financial assets at FVOCI		
(Note 11)	41,277,947	(18,717,644)
<i>Items that may be recycled to profit of loss</i>		
<i>in subsequent periods:</i>		
Change in equity in other comprehensive income		
(loss) of associates and subsidiaries (Note 12)	82,593,832	(10,583,216)
	61,173,003	(37,637,812)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	₱4,514,013,982	₱3,242,885,082

See accompanying Notes to Financial Statements.



CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT (CARD), INC.
(A Microfinance NGO)

PARENT COMPANY STATEMENTS OF CHANGES IN FUND BALANCE

	Fund Balance		Reserves			
	General Fund	Restricted Fund	Remeasurement Gain (Loss) on Retirement Plan (Note 21)	Equity in Other Comprehensive Income (Loss) of Associates and Subsidiaries (Note 12)	Unrealized gain on Financial Assets at Fair Value through Other Comprehensive Income (Note 11)	Total
Balance at January 1, 2024	₱13,323,303,620	₱136,930,681	₱96,596,131	(₱12,632,271)	(₱15,231,534)	₱13,528,966,627
Appropriations during the year (Note 28)	(8,795,015)	8,795,015	—	—	—	—
Reclassification of investment	(4,173,070)	—	—	95,886	—	(4,077,184)
Total comprehensive income (loss) for the year	4,452,840,979	—	(62,698,776)	82,593,832	41,277,947	4,514,013,982
Balance at December 31, 2024	₱17,763,176,514	₱145,725,696	₱33,897,355	₱70,057,447	₱26,046,413	₱18,038,903,425
Balance at January 1, 2023	₱10,050,873,260	₱128,838,146	₱104,933,083	(₱2,049,055)	₱3,486,110	₱10,286,081,544
Appropriations during the year (Note 28)	(8,092,535)	8,092,535	—	—	—	—
Total comprehensive income (loss) for the year	3,280,522,895	—	(8,336,952)	(10,583,216)	(18,717,644)	3,242,885,083
Balance at December 31, 2023	₱13,323,303,620	₱136,930,681	₱96,596,131	(₱12,632,271)	(₱15,231,534)	₱13,528,966,627

See accompanying Notes to Financial Statements.



CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT (CARD), INC.
(A Microfinance NGO)

PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses before income tax	₱4,645,883,817	₱3,434,677,694
Adjustments for:		
Interest on loans (Note 8)	(8,569,360,137)	(6,821,627,364)
Share in net income of associates and subsidiaries (Note 12)	(1,585,743,273)	(1,258,754,268)
Dividend income (Note 25)	(17,438,227)	(20,608,085)
Provision for credit and impairment losses (Note 16)	397,147,878	241,026,630
Depreciation and amortization (Notes 13 and 14)	115,016,029	104,684,310
Interest income (Note 25)	95,067,320	71,956,237
Pension expense, net of contribution (Note 21)	18,158,858	10,274,639
Interest expense (Notes 8, 19 and 22)	5,006,859	4,112,841
Unrealized foreign exchange gain	(6,166,885)	357,165
Gain on sale of property and equipment	(86,333)	—
Changes in operating assets and liabilities:		
Decrease (increase) in amounts of:		
Receivables	(2,570,115,143)	(3,230,447,274)
Short term investments	(220,588,464)	(116,961,890)
Other assets	9,869,470	(7,019,047)
Increase (decrease) in amounts of:		
Capital build-up	810,640,785	570,559,632
Accounts payable and accrued	87,985,203	241,786,766
Net cash flows used in operations	(6,784,722,243)	(6,775,982,014)
Interest on loans collected	8,569,360,137	6,821,627,364
Interest paid	(162,709,842)	(134,212,611)
Income taxes paid	(168,530,143)	(149,040,197)
Interest received	92,777,505	69,366,841
Contributions to the retirement plan (Note 21)	(69,199,822)	(53,000,066)
Net cash flows provided by (used in) operating activities	1,476,975,592	(221,240,683)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of:		
Property and equipment (Note 13)	2,649,305	3,786,808
Acquisitions of:		
Investment in associates and subsidiaries (Note 12)	(381,924,870)	(115,972,665)
Property and equipment (Note 13)	(47,147,999)	(94,017,090)
Financial assets at FVOCI	(2,000,000)	—
Dividends received (Notes 11 and 12)	654,618,326	503,110,990
Net cash flows provided by investing activities	226,194,762	296,908,043

(Forward)



	Years Ended December 31	
	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings (Note 29)	₱218,645,500	₱1,051,000,000
Settlement of borrowings (Note 29)	(1,141,896,000)	(737,208,000)
Payment of principal portion of finance lease liabilities (Note 5 and 29)	(84,262,557)	(68,867,865)
Net cash flows provided by (used in) financing activities	(1,007,513,057)	244,924,135
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	695,657,298	320,591,495
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,765,539,652	1,444,948,157
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	₱2,461,196,950	₱1,765,539,652

See accompanying Notes to Financial Statements.



CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT (CARD), INC. (A Microfinance NGO)

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Center for Agriculture and Rural Development (CARD), Inc., (A Microfinance NGO) (“the Organization”), a nonstock, nonprofit organization, was incorporated in the Philippines on October 14, 1986. It was registered with the Philippine Securities and Exchange Commission (SEC) on March 6, 1987 primarily to undertake, directly finance and assist research and development work and/or economic evaluation for the development and improvement of the quality of life of people in underdeveloped and depressed areas.

On August 2, 2016, the Organization was deemed an accredited Microfinance NGO by the Microfinance NGO Regulatory Council (the Council) after having been certified by the SEC to have no derogatory information. In accordance with Republic Act (RA) No. 10693, otherwise known as the Microfinance NGOs Act, the Organization shall be entitled to avail of the two percent (2%) gross receipts tax on its income from microfinance operations (Note 23).

On August 16, 2016, the implementing rules and regulations (IRR) of Republic Act (RA) No. 10693 or otherwise known as the Microfinance NGOs Act was approved and implemented. The IRR of RA 10693 requires Microfinance NGOs to be established as non-stock, non-profit corporation with a capital contribution of at least One Million pesos and include the word “Microfinance” in the corporate and trade name of the Microfinance NGO seeking accreditation.

On September 17, 2016, the Board of Trustees (BOT) unanimously approved to amend the First Article of the Organization’s Articles of Incorporation (AOI) to change the corporate name of the Organization from Center for Agriculture and Rural Development (CARD), Inc. to CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT (CARD), Inc. (A Microfinance NGO). Further, in 2021, the Organization filed for the amendment of such AOI and By-Laws to the SEC and was approved last June 2, 2021.

The organization was authorized by the Bangko Sentral ng Pilipinas (BSP) on November 23, 2018 to operate as Remittance and Transfer Money under Subsection 4511N.2 of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI).

The registered office of the Organization is located at 20 M. L. Quezon Street, City Subdivision, San Pablo City, Laguna. As at December 31, 2024 and 2023, the Organization has 1,414 and 1,318 units, respectively.

2. Material Accounting Policy Information

Basis of Preparation

The parent company financial statements have been prepared under the historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) that have been measured at fair value. The parent company financial statements are presented in Philippine peso (₱), the Organization’s functional and presentation currency. All amounts are rounded off to the nearest peso, unless otherwise indicated.



Statement of Compliance

The financial statements of the Organization have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

These parent company financial statements are the separate financial statements of the Organization for management's use and for filing with the Bureau of Internal Revenue (BIR). These parent company financial statements account for the Organization's investments in subsidiaries and associates under the equity method as provided for under Philippine Accounting Standard (PAS) 27, *Separate Financial Statements* (Note 12).

The Organization prepares and issues consolidated financial statements as at and for the same period ended as these separate financial statements. Such consolidated financial statements provide information about the economic activities of the Organization and its subsidiaries and associates and may also be obtained from the Organization's registered office address.

The table below lists the Organization's investments in subsidiaries and associates, their corresponding principal places of business/country of incorporation, as well as the Organization's proportion of the ownership interest held in these entities:

	Country of Incorporation	Percentages of Ownership	
		December 31	
		2024	2023
Subsidiaries			
CARD Myanmar Company Limited (CMCL)	Myanmar	99.7%	99.7%
Responsible Investments for Solidarity and Empowerment (RISE) Financing Company, Inc.	Philippines	61.9%	61.9%
Associates			
CARD MRI Hijos Tours, Inc. (CMHTI)	Philippines	30.8%	30.8%
CARD MRI Insurance Agency (CAMIA), Inc.	Philippines	36.6%	36.6%
CARD SME Bank, (CSMEB) Inc.	Philippines	36.8%	36.8%
CARD MRI Property Management, Inc. (CMPMI)	Philippines	34.7%	34.7%
CARD Bank, Inc. (CBI)	Philippines	31.0%	31.1%
CARD Matapat Holdings (Matapat)	Philippines	35.0%	35.0%
CARD MRI Publishing House, Inc. (CMPuHI)	Philippines	22.8%	22.7%
CARD MRI Information Technology (CMIT), Inc.	Philippines	26.0%	25.9%
Mga Likha ni Inay (MLNI)	Philippines	14.5%	14.6%
CARD MRI Rizal Bank, Inc. (CMRBI)	Philippines	22.0%	22.0%
CARD MRI Astro Laboratories, Inc. (CMALI)	Philippines	—	19.4%
CARD Leasing and Finance Corporation (CLFC)	Philippines	19.0%	19.0%
CARD MRI Holdings, Inc. (CMHI)	Philippines	12.9%	13.0%
CARD Clinics and Allied Services (CCAS) Inc.	Philippines	28.6%	—
BENTE Productions, Inc. (BENTE)	Philippines	42.0%	—
Microfinance Information Data Sharing (MIDAS), Inc.	Philippines	15.5%	15.5%

Presentation of Parent Company Financial Statements

The Organization presents the parent company statement of assets, liabilities and fund balance broadly in order of liquidity. An analysis regarding recovery (asset) or settlement (liability) within twelve (12) months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 20.



Changes in Accounting Policies and Disclosures

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

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

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Material Accounting Policies

Foreign Currency Translations - Transactions and Balances

Transactions in foreign currencies are initially recorded at the functional currency rate of exchange ruling at the date of the transaction.

Foreign currency-denominated monetary assets and liabilities are translated in Philippine peso based on the BSP closing rate prevailing at the statement of assets, liabilities and fund balance date, while for foreign currency-denominated income and expenses, at the prevailing exchange rates as at the date of transaction. Exchange differences arising from reporting foreign currency monetary items at rates different from those at which they were previously recorded, as well as foreign exchange gains or losses arising from foreign currency transactions are credited to or charged against the statement of revenue over expenses in the year on which the rates changed.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.



Fair Value Measurement

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

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

The principal or the most advantageous market must be accessible by the Organization. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Organization 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 Organization determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Organization has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Cash and Cash Equivalents

Cash and cash equivalents consist of petty cash fund, cash on hand and demand, savings and time deposits in banks that are highly liquid and readily convertible to known amounts of cash with original maturities of three months or less from dates of placements and which are subject to insignificant risk of changes in value.

Financial Instruments – Initial Recognition and Subsequent Measurement

Date of recognition

Financial instruments within the scope of PFRS 9 are recognized in the statement of assets, liabilities and fund balance when the Organization becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame



established by regulation or convention in the marketplace are recognized using the trade date accounting, i.e., the date that the Organization commits to purchase or sell the asset.

Initial recognition and measurement of financial assets

Financial instruments are classified, at initial recognition, as either at amortized cost, FVOCI and fair value through profit and loss (FVTPL). The classification of financial instruments at initial recognition depends in their contractual terms and the business model for managing the instruments. Financial instruments except in the case of financial assets and financial liabilities recorded at FVTPL, are initially measured at fair value plus transaction costs. Receivables are measured at the transaction price.

As of December 31, 2024 and 2023, the Organization has no financial instruments at FVTPL.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Organization's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

'Day 1' difference

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Organization recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the statement of revenue over expenses unless it qualifies for recognition as some other type of asset. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognized in the statement of revenue over expenses when the inputs become observable or when the instrument is derecognized. For each transaction, the Organization determines the appropriate method of recognizing the 'Day 1' difference amount.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments),
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments),
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments), and
- Financial assets at fair value through profit or loss.

Financial assets at amortized cost

Debt financial assets are measured at amortized cost if both of the following conditions are met:

- The asset is held within the Organization's business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortized cost using effective interest method less any



impairment in value, with the interest calculated recognized as 'Interest income' in the statement of revenues and expenses.

As of December 31, 2024 and 2023, the Organization's financial assets measured at amortized cost include 'Cash and cash equivalents', 'Short-term investments', 'Receivables' and advances and security deposits under 'Other Assets'.

Financial assets at FVOCI

Upon initial recognition, the Organization can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

These financial assets are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income. When the asset is disposed of, the cumulative gains or losses previously recognized are not reclassified to profit or loss, but is reclassified directly to 'Fund balance' account. Any dividends earned on holding these equity instruments are recognized in profit or loss under 'Dividend income' account.

Financial liabilities at amortized cost

Issued financial instruments or their components, which are not designated at FVPTL, are classified as liabilities under 'Capital build-up,' 'Borrowings,' and 'Accounts payable and other liabilities,' where the substance of the contractual arrangement results in the Organization having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, financial liabilities not qualified and not designated as FVTPL are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the EIR.

Derecognition of Financial Instruments

Financial assets

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

- the rights to receive cash flows from the asset have expired; or
- the Organization retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Organization has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained the risks and rewards of the asset but has transferred the control over the asset.

Where the Organization has transferred its rights to receive cash flows from an asset or has entered into a "pass-through" arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control over the asset, the asset is recognized to the extent of the Organization's continuing involvement in the asset. Continuing involvement that takes the form



of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Organization could be required to repay.

Financial liabilities

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

Offsetting of Financial Instruments

Financial instruments are offset and the net amount reported in the statement of assets, liabilities and fund balance only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle liabilities simultaneously. The Organization assessed that it has currently enforceable right to set off if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Organization and all the other counterparties.

Income and expense are not offset in the parent company statement of revenue over expenses unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Organization.

Write-off

Financial assets are written off either partially or in their entirety when the Organization no longer expects collections or recoveries within a foreseeable future. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to loan loss provision.

Investments in Associates

An associate is an entity over which the Organization has significant influence and which is neither a subsidiary or a joint venture of the Organization. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or the joint control over those policies. In the financial statements, investments in associates are accounted for under the equity method of accounting.

An investment is accounted for using the equity method from the day it becomes an associate. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill and included in the carrying amount of the investment and is neither amortized nor individually tested for impairment. Any excess of the investor's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and is included as income in the determination of the share in the earnings of the investee.

Under the equity method, the investments in and advances to associates are carried in the consolidated statement of assets, liabilities and fund balance at cost plus post-acquisition changes in the Group's share in the net assets of the investees, less any impairment in value.

The statement of comprehensive income reflects the Group's share in the results of operations of the investee companies and the Organization's share on movements in the investee's other



comprehensive income (OCI) are recognized directly in OCI in the financial statements. The Organization's share in the total comprehensive income of an associate is shown in the statement of revenue over expenses and the statement of comprehensive income. The aggregate of the Organization's equity in net income of associates is shown on the face of the statement of revenue over expenses.

Profits and losses resulting from transactions between the Organization and the investee companies are eliminated to the extent of the interest in the investee companies, and for unrealized losses, to the extent that there is no evidence of impairment of the assets transferred. Dividends received from investee companies are treated as a reduction of the accumulated earnings included under 'Investments in associates' account in the statement of assets, liabilities and fund balance.

The Organization discontinues applying the equity method when its investments in investee companies are reduced to zero. Accordingly, additional losses are not recognized unless the Organization has guaranteed certain obligations of the associates. When the investees subsequently report net income, the Organization will resume applying the equity method but only after its equity in the net income equals the equity in net losses of associates not recognized during the period the equity method was suspended.

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

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

Investments in Subsidiaries

A subsidiary is an entity over which the Organization has control. The Organization controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Organization's financial statements, investments in subsidiaries is accounted for under the equity method of accounting, similar to the investments in associates.

Property and Equipment

Land is carried at cost less any impairment in value and depreciable property and equipment, which includes building and improvements, furniture and fixtures and office and transportation equipment, is carried at cost less accumulated depreciation and any impairment in value.

The initial cost of property and equipment, consists of its purchase price, including import duties, taxes, and any directly attributable costs to bring the asset to its working condition and location for its intended use. Expenditures incurred after items of property and equipment have been put into operation, such as repairs and maintenance, are normally charged against operations in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statement of revenue over expenses.



Depreciation is computed using the straight-line method over the estimated useful lives (EUL) of the respective assets. The EULs of the depreciable assets are as follows:

Building	5 to 25 years
Transportation equipment	3 to 7 years
Furniture and equipment	3 to 5 years
Leasehold improvements	3 years or the terms of the related lease, whichever is shorter
Right-of-use Asset	1.5 to 5 years or the terms of the related lease, whichever is shorter

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

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

Investment Properties

Investment properties are properties (land and/or buildings) held to earn rentals or for capital appreciation (or both). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and amortization and any impairment in value.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Depreciation on building and improvements is calculated on a straight-line basis over the EUL of 5 to 25 years from the time of acquisition of the investment properties.

Impairment of Nonfinancial Assets

Property and equipment, investment properties, investments in subsidiaries and associates and right-of-use assets

At each reporting date, the Organization assesses whether there is any indication that its nonfinancial assets may be impaired. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Organization makes a formal estimate of recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use (VIU) and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the cash generating unit to which it belongs. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to operations in the year in which it arises.



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

Fund Balance

General

General fund consists of all current and prior period results of operations. The Organization's earnings or assets shall not inure to the benefit of any of its trustees, organizers, officers, members or any specific person.

Restricted

Restricted fund pertains to the appropriations made by the Organization for future acquisitions and/or improvements of investment properties.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Organization and the revenue can be reliably measured regardless of when payment is being made. Revenue is measured at fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duty. The Organization has assessed that it is acting as a principal in all its revenue transactions.

The following specific recognition criteria must also be met before revenue is recognized:

Revenues within the scope of PFRS 15

Grants

Grants are recognized when there is a reasonable assurance that the Organization will comply with the conditions attaching to it, and that the grant will be received. Grants received for a specific purpose or with condition are initially recognized as a liability shown as 'Funds held-in-trust' under 'Accounts payable and other liabilities' in the statements of assets, liabilities and fund balance, otherwise, they are recorded as 'Grants' in the statement of revenue over expenses.

Revenues outside the scope of PFRS 15:

Interest on loans

Interest on loans are recognized based on the effective interest method of accounting.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and allocating the income over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows through the expected useful life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options), includes any fees (such as service fees) or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

Under PFRS 9, when a financial asset becomes credit-impaired, the Organization calculates interest on loans by applying the EIR to the net amortized cost of the financial asset. If the financial asset



cures and is no longer credit-impaired, the Organization reverts to calculating interest on loans fees on a gross basis.

Interest income

Interest income on deposits in banks, short-term investments and other receivables is recognized as interest accrues using the EIR, which is the rate that exactly discounts estimated future cash receipts through the expected life of the interest-bearing financial instruments to the net carrying amount of the financial assets.

Rent income

Rent income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

Dividend income

Dividends are recognized as revenue when the Organization's right to receive the payment is established.

Costs and Expenses

Costs and expenses encompass losses as well as those expenses that arise in the course of the ordinary activities of the Organization. Cost and expense are recognized in the statement of revenue over expenses when it is probable that a decrease in future economic benefits related to a decrease in an asset or an increase in liability has occurred and the decrease in economic benefits can be measured reliably.

Retirement Benefits

The Organization operates a defined benefit retirement plan and hybrid retirement plan which require contributions to be made to separately administered funds.

The net defined benefit asset (liability) is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling, if any. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit retirement plan is determined using the projected unit credit method.

Retirement costs comprise the following:

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

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

Net interest on the net defined benefit asset (liability) is the change during the period in the net defined benefit asset (liability) that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit asset (liability). Net interest



on the net defined benefit asset (liability) is recognized as income (expense) in the statement of revenue over expenses.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in the statement of assets, liabilities and fund balance with a corresponding debit or credit to 'Remeasurement gains (losses) on retirement liabilities' under OCI in the period in which they arise. Remeasurements are not reclassified to the statement of revenue over expenses in subsequent periods.

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

The Organization's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when, and only when, reimbursement is virtually certain.

Employee leave entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Leases

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

Organization as a lessee

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

- **Right-of-use assets**

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

The Organization presents the right-of-use assets in 'Property and equipment' and subjects it to impairment in line with the Organization's policy on impairment of nonfinancial assets.



- Lease liabilities

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

After the commencement date of the lease, the Organization measures the lease liabilities by increasing the carrying amount to reflect interest on the lease liabilities (recorded in 'Interest expense on bills payable and other borrowings'), reducing the carrying amount to reflect the lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

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

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

Organization as a lessor

For finance leases where the Organization transfers substantially all the risks and rewards incidental to ownership of the leased item, the Organization recognizes a lease receivable in the statement of assets, liabilities and fund balance at an amount equivalent to the net investment (asset cost) in the lease. The Organization includes all income resulting from the receivable in 'Interest income on loans and receivables' in the statement of revenue over expenses.

The residual value of leased assets, which approximates the amount of guaranty deposit paid by the lessee at the inception of the lease, is the estimated proceeds from the sale of the leased asset at the end of the lease term. At the end of the lease term, the residual value of the leased asset is generally applied against the guaranty deposit of the lessee when the lessee decides to buy the leased asset.

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

Income Taxes

Current tax

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



Provisions

Provisions are recognized when the Organization has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Organization expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of revenue over expenses, net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to passage of time is recognized under 'Interest expense' under 'Project related expenses' in the statement of revenue over expenses.

Contingent Liabilities and Contingent Assets

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

Events After the Reporting Date

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

New standards and interpretations that have been issued but not yet effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Organization does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

- Amendments to PAS 21, *Lack of exchangeability*
The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.



- Annual Improvements to PFRS Accounting Standards—Volume 11
The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.
 - Amendments to PFRS 9
 - Lessee Derecognition of Lease Liabilities
The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.
 - Transaction Price
The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to ‘transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*’ with ‘the amount determined by applying PFRS 15’. The term ‘transaction price’ in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.
 - Amendments to PFRS 10, *Determination of a ‘De Facto Agent’*
The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.
 - Amendments to PAS 7, *Cost Method*
The amendments to paragraph 37 of PAS 7 replaced the term ‘cost method’ with ‘at cost’, following the prior deletion of the definition of ‘cost method’.

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
The standard replaces PAS 1 Presentation of Financial Statements and responds to investors’ demand for better information about companies’ financial performance. The new requirements include:
 - Required totals, subtotals and new categories in the statement of profit or loss
 - Disclosure of management-defined performance measures
 - Guidance on aggregation and disaggregation

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or



contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

3. Significant Accounting Judgments and Estimates

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

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

Judgments

(a) Determination of significant influence over another entity

The determination of significant influence over another entity, other than the rebuttable presumption of ownership over twenty percent (20.0%), requires significant judgment. In making judgment, the Organization evaluates existence of the following:

- representation on the Board of Directors (BODs) or equivalent governing body of the investee;
- participation in policy-making processes, including participation in decisions about dividends or other distributions;
- material transactions between the entity and its investee;
- interchange of managerial personnel; or
- provision of essential technical information.

As at December 31, 2024 and 2023, the Organization determined that it exercises significant influence over the following entities:

	Percentages of Ownership	
	December 31	
	2024	2023
CMALI	—	19.4%
CLFC	19.0%	19.0%
MIDAS	15.5%	15.5%
MLNI	14.5%	14.6%
CMHI	12.9%	13.0%

Although the Organization holds less than 20.0% of the ownership interest and voting rights in CLFC, MIDAS, MLNI and CMHI, the Organization considers that it exercises significant



influence through its representation in the investees' BOT. Accordingly, the Organization accounted for its investments in these entities as associates under the equity method of accounting.

In 2024, the Organization lost its significant influence in CMALI and was reclassified to fair value of financial assets at FVOCI.

The investments in associates of the Organization are disclosed in Note 12 and the related applicable accounting policy is disclosed in Note 2.

Estimates

(a) Impairment of financial assets

The measurement of impairment losses under PFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. The estimates are driven by a number of factors, changes which can result in different levels of allowances.

The Organization's ECL calculations are outputs of complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- Internal credit grading model, which assigns PDs to the individual grades
- Criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime CL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

The ECL models and all ECL-related policies are approved by the Risk Management Committee and the BOT. The Risk Management Unit, in collaboration with the Data Collection Center, calculates the ECL for all credit risk exposures. The total ECL to be booked by the Finance and Accounting Division is approved by both the Director for Finance and Accounting and the Director of Risk Management Unit.

The related allowance for credit losses of financial assets are disclosed in Note 8.

(b) Present value of long term and post-employment benefits

The determination of the Organization's net plan assets and annual retirement and other long term employment benefits expense is dependent on the selection of certain assumptions used in calculating such amounts. These assumptions include, among others, discount rates and salary rates.

In determining the appropriate discount rate, the Organization considers market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as of the reporting date and the extrapolated maturities corresponding to expected duration of the defined benefit obligation. For the salary projection rate, the Organization considers the inflation rate and expected average future salary increase rate of the employee, while the mortality rate was



based on the 2017 Philippine Intercompany Mortality Table. While the Organization believes that the assumptions are reasonable and appropriate, significant differences between actual experience and assumptions may materially affect the cost of employee benefits related obligations.

The present value of the retirement obligation and fair value of plan assets are disclosed in Note 21.

(c) *Financial assets not quoted in an active market*

When the fair values of financial instruments recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. These judgments may include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives.

4. Fair Value Measurement

The methods and assumptions used by the Organization in estimating fair values of assets and liabilities for which fair value is disclosed are as follows:

Cash and cash equivalents, short-term investments, receivables, security deposits, advances, capital build-up, and accounts payable and other liabilities

These carrying values approximate their fair values in view of relatively short-term maturities of these instruments.

Investment properties

Fair values of the Organization's investment properties have been determined based on valuations made by independent appraisers on the basis of recent sales of similar properties in the same areas as the investment properties and taking into account the economic conditions prevailing at the time the valuations were made.

Unquoted equity investments

Fair values are estimated using net asset value approach and capital asset pricing model (CAPM) to compute for the fair value under Level 3 fair value hierarchy. CAPM uses cost of equity of 10.50% and 12.40% for 2024 and 2023, respectively.

Borrowings

Fair values are estimated using the discounted cash flow methodology using the interpolated risk-free rates plus spread.

The Organization uses a hierarchy for determining and disclosing the fair value of its assets and liabilities. 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 prices) in active markets for identical assets and liabilities;
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.



Fair Value Hierarchy

The following table summarizes the carrying amounts and the fair values by level of the fair value hierarchy of the Organization's long-term financial instruments and non-financial assets that are carried at fair value or for which fair values are disclosed as at December 31, 2024 and 2023:

	2024		2023	
	Carrying Value	Level 3 Fair Value	Carrying Value	Level 3 Fair Value
Assets for which fair values are measured:				
Financial assets				
Financial assets at FVOCI	₱200,765,298	₱200,765,298	₱151,676,051	₱151,676,051
Assets for which fair values are disclosed:				
Non-financial assets				
Investment properties	31,507,093	132,450,700	33,555,153	56,984,000
Financial liabilities				
Borrowings	327,000,500	317,779,452	1,249,403,000	1,344,979,829

There are no transfers between fair value levels in 2024 and 2023.

The following table summarizes the valuation techniques, inputs and assumptions used and the significant unobservable inputs valuation for investment property held by the Organization:

	Valuation technique	Significant unobservable inputs
Land	Market approach	Size, location, shape and time element
Financial assets at FVOCI	Capital asset pricing model	Cost of equity
Financial assets at FVOCI	Adjusted net asset value	Book value per share
Borrowings	Discounted future cash flow	Market rates

Valuation Technique	Investment	Significant Unobservable Input	Inputs	
			2024	2023
Capital asset pricing model	CBI	Cost of equity	10.50%	12.40%
Capital asset pricing model	CRBI	Cost of equity	10.50%	12.40%
Adjusted net asset	BotiCARD	Book value per share	₱7.46/share	₱7.05/share
Adjusted net asset	AppendPay	Book value per share	₱48.02/share	₱54.91/share
Adjusted net asset	Bakawan	Book value per share	₱106.31/share	—
Adjusted net asset	CMALI	Book value per share	₱87.68/share	—
Adjusted net asset	UNIHEALTH	Book value per share	₱133.31/share	—

The market data approach is a comparable method wherein the value of the property is based on sales and listings of comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as basis of comparison are situated within the immediate vicinity of the subject property. Comparison would be premised on the factors of location, size and shape of the lot, and time element.



Financial assets at FVOCI

The Organization carries unquoted equity securities as FVOCI investments classified as Level 3 within the fair value hierarchy.

In 2024 and 2023, the Company recognized movements in fair value reserves on FVOCI investments amounting to ₱82.7 million and ₱18.7 million, respectively.

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

Adjusted net asset value

The Organization estimates the fair value of the unquoted equity securities using adjusted net asset value approach with consideration of the most recent transaction price. The Company also determines an appropriate discount adjustment for the lack of marketability of these unquoted securities. Below shows the sensitivity of the valuation to various changes in assumption:

Fair value of financial asset designated at FVOCI	₱23,531,216
Alternative scenarios:	
Increase/decrease in book value per share:	
+10.00%	2,353,122
- 10.00%	(2,353,122)

Capital asset pricing model

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

Fair value of financial assets at FVOCI	₱177,234,082
Alternative scenarios:	
Increase/decrease in cost of equity:	
+100 basis points	(1,668,007)
-100 basis points	1,707,418

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

5. Financial Risk Management Objectives and Policies

In the course of the business cycle, the Organization has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

In line with the Organization's mission of "*Providing continued access to integrated microfinance and social development services to an expanding membership base by organizing and empowering women and their families*", the risk management framework of the Organization involves identifying and assessing risks, designing strategies and implementing policies to mitigate risks, and conducting evaluation for adjustments needed to minimize risks.



The BOT through the Audit Committee (AC) of the Organization is responsible for monitoring the Organization's implementation of risk management policies and procedures and for reviewing the adequacy of risk management framework in relation to the risks faced by the Organization. The AC prepares monthly reporting to BOT on the results of reviews of actual implementation of risk management policies. The Risk Management Unit of the Organization is strengthened in conjunction with AC and Internal Audit (IA) functions. IA undertakes both regular audit examination and ad hoc reviews of risk management controls and procedures, the results of which are reported to the AC.

Credit Risk

Credit risk is the risk of financial loss to the Organization if the counterparty to a financial instrument fails to meet its contractual obligations.

Management of credit risk

The Organization manages credit risk by providing field personnel with thorough trainings for effective and efficient service delivery to mitigate such risk. A codified signing authority is in place for every level of receivables processing and approval. Receivables are guaranteed by co-borrower/guarantor from family member. All past due/impaired accounts are reported on a monthly basis. Consistent monitoring for these accounts is established by competent and diligent personnel to maximize recovery. Writing off bad debt accounts are approved by the BOT through its Executive Director.

Intensive management monitoring of the program and regular internal audit examination are being conducted. Identified existing and potential irregularities are being discussed and processed during the monthly AC meeting. Consequently, a summary of AC reports is being presented to the regular quarterly meeting of the BOT.

Maximum exposure to credit risk

The maximum credit exposure of the Organization's financial instruments is equal to their carrying value, except for receivable from members.

An analysis of the maximum exposure to credit risk of the Organization as at December 31, 2024 and 2023 are as follows (in millions):

	Maximum credit exposure	Fair value of collateral	Financial effect of collateral or credit enhancement	Net exposure
2024				
Receivable from members	₱16,445	₱4,151	₱4,151	₱12,294
2023				
Receivable from members	₱14,406	₱3,486	₱3,486	₱10,920

Credit enhancement for receivables from members pertains to contribution of members for capital build-up purposes equivalent to 15.0% of the loaned amount of the member, depending on type of loan concerning the Organization.

The Organization has no financial instruments with right of set-off in accordance with PAS 32 as at December 31, 2024 and 2023. There are also no financial instruments that are subject to an enforceable master netting arrangements of similar agreements which require disclosure in the financial statements.



Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Organization's financial instruments are concentrated to rural borrowers.

Credit quality per class of financial assets

The credit quality of financial assets is monitored and managed based on credit standing and history.

High grade represents bank deposits, receivables or advances which have a high probability of collection. The counterparty has the apparent ability to satisfy its obligation and the securities on the receivables are readily enforceable. These also include deposits with reputable institutions from where the deposits may be withdrawn and recovered with certainty.

Standard grade represents deposits, receivables or advances where collections are probable due to the reputation and the financial ability of the counterparty to pay.

Further, the financial assets are also grouped according to stage whose description is explained as follows:

Stage 1 - those that are considered current and up to 90 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 - those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 90 days past due but does not demonstrate objective evidence of impairment as of reporting date.

Stage 3 - those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

The tables below show the credit quality per class of receivables (gross of allowance for credit losses) as at December 31, 2024 and 2023 (in thousands):

	2024			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Neither past due nor impaired				
High grade	P-	P-	P-	P-
Standard grade	16,646,394	-	-	16,646,394
Past due but not impaired	-	113,534	-	113,534
Past due and impaired	-	-	327,943	327,943
Gross carrying amount	P16,646,394	P113,534	P327,943	P17,087,871

	2023			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Neither past due nor impaired				
High grade	P-	P-	P-	P-
Standard grade	14,550,151	-	-	14,550,151
Past due but not impaired	-	74,348	-	74,348
Past due and impaired	-	-	224,324	224,324
Gross carrying amount	P14,550,151	P74,348	P224,324	P14,848,823



2024					
	Neither past due nor impaired		Past due but not impaired	Past due and impaired	Total
	High Grade	Standard grade			
Cash in banks	₱2,461,184	₱–	₱–	₱–	₱2,461,184
Short-term investments	548,414	–	–	–	548,414
Other assets	–	60,830	–	–	60,830
	₱3,009,598	₱60,830	₱–	₱–	₱3,070,428

2023					
	Neither past due nor impaired		Past due but not impaired	Past due and impaired	Total
	High Grade	Standard grade			
Cash in banks	₱1,765,431	₱–	₱–	₱–	₱1,765,431
Short-term investments	422,023	–	–	–	422,023
Other assets	–	85,148	–	–	85,148
	₱2,187,454	₱85,148	₱–	₱–	₱2,272,602

As at December 31, 2024 and 2023, the Organization's receivables that are past due for more than 90 days are considered impaired.

Aging analysis of past due but not impaired

The following tables show the total aggregate amount of receivables that are contractually past due but not considered as impaired per delinquency bucket as at December 31, 2024 and 2023 (in thousands):

2024				
	Less than 30 Days	31 to 60 Days	61 to 90 Days	Total
Project assistance receivables	₱17,556	₱31,930	₱34,867	₱84,353
Members assistance receivables	5,923	10,480	12,778	29,181
Other receivables	8,168	88	22,564	30,820
	₱31,647	₱42,498	₱70,209	₱144,354

2023				
	Less than 30 Days	31 to 60 Days	61 to 90 Days	Total
Project assistance receivables	₱7,111	₱27,970	₱23,881	₱58,962
Members assistance receivables	2,175	6,975	6,236	15,386
Other receivables	17,716	1,018	399	19,133
	₱27,002	₱35,963	₱30,516	₱93,481

Liquidity Risk

Liquidity risk is the risk arising from potential inability to meet obligations when they become due at a reasonable cost and timely manner. The Organization manages liquidity risk by assessing the gap for additional funding and determining the best source and cost of funds on a monthly basis. To ensure sufficient liquidity, the Organization set aside funds to pay currently maturing obligations. These funds are placed in short-term investments and deposited in banks by the Organization. Monitoring of daily cash position is being done to guide the management in making sure that sufficient liquidity is maintained. The Treasury Executive Committee was also established to regularly review liquidity position of the Organization monthly.



Analysis of financial assets and financial liabilities by remaining maturities

The tables below summarize the maturity profile of the financial assets and financial liabilities of the Organization based on contractual undiscounted cash flows (in thousands)

	2024					Total
	On demand	Due within 1 month	1 to 3 months	3 to 12 months	Beyond 1 year	
Financial Assets						
Cash and cash equivalents	₱1,262,912	₱630,528	₱572,710	₱–	₱–	₱2,466,150
Short-term investments	–	220,222	305,292	27,301	–	552,815
Receivables	4,036	722,968	3,082,237	14,240,942	969,996	19,020,181
Financial assets at FVOCI	–	–	–	–	200,765	200,765
Other assets	–	31,835	19,792	34,981	37,207	123,815
Total Financial Assets	1,266,948	1,605,553	3,980,031	14,303,224	1,207,968	22,363,724
Financial Liabilities						
Capital build-up	3,930,592	518,299	622,380	2,662,409	292	7,733,972
Accounts payable and accrued expenses	–	196,924	66,441	55,875	149,050	468,290
Borrowings	–	60,700	75,751	148,946	47,107	332,504
Total Financial Liabilities	3,930,592	775,923	764,572	2,867,230	196,449	8,534,766
Net Undiscounted Cash Flows	(₱2,663,644)	₱829,630	₱3,215,459	₱11,435,994	₱1,011,519	₱13,828,958

	2023					Total
	On demand	Due within 1 month	1 to 3 months	3 to 12 months	Beyond 1 year	
Financial Assets						
Cash and cash equivalents	₱1,159,992	₱321,824	₱286,530	₱–	₱–	₱1,768,346
Short-term investments	–	186,564	212,675	25,483	–	424,722
Receivables	4,036	853,144	3,354,581	12,916,636	64,324	17,192,721
Financial assets at FVOCI	–	–	–	–	151,676	151,676
Other assets	174	17,206	1,137	40,169	74,999	133,685
Total Financial Assets	1,164,202	1,378,738	3,854,923	12,982,288	290,999	19,671,150
Financial Liabilities						
Capital build-up	3,412,650	344,307	1,046,955	2,114,549	342	6,918,803
Accounts payable and accrued expenses	–	230,806	85,802	46,077	126,447	489,132
Borrowings	–	–	339,624	841,031	112,374	1,292,669
Total Financial Liabilities	3,412,650	575,113	1,472,021	3,001,657	239,163	8,700,604
Net Undiscounted Cash Flows	(₱2,248,448)	₱803,625	₱2,382,902	₱9,980,631	₱51,836	₱10,970,546

Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows of a financial instrument as a result of changes in its price, in turn caused by changes in interest rates, foreign currency exchange rates, equity prices and other market factors.

Interest rate risk

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

As of December 31, 2024 and 2023, the Organization has no financial assets and liabilities subject to repricing. As such, the Organization is not exposed to interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Organization's principal transactions are carried out in Philippine peso and its exposure to foreign currency risk arises primarily with respect to the Organization's cash in banks, short-term investments and borrowings which are denominated in US dollar (\$) and Euro (€).



The following table shows the foreign currency-denominated accounts of the Organization as at December 31, 2024 and 2023:

	2024		2023	
	in \$	in €	in \$	in €
Cash in banks and cash equivalents	683,878	16,424	630,284	16,424
Other receivables	114,523	–	607,345	–
Other assets	841,597	–	841,597	–
Borrowings	(450,000)	–	(300,000)	–
Net Exposure	1,189,998	16,424	1,779,226	16,424

In translating foreign currency-denominated accounts to Philippine peso amounts, the exchange rates used were ₱58.01 to \$1.0 and ₱60.47 to €1.0, and ₱55.37 to \$1.0 and ₱61.47 to €1.0 in 2024 and 2023, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the Philippine peso exchange rate, with all other variables held constant, of the Organization's excess of revenue over expenses. There is no impact on the Organization's equity other than those already affecting the excess of revenue over expenses.

Currency	Change in currency rate in %	Effect on excess of revenue over expenses
2024		
USD	+5.0	₱3,451,590
	–5.0	(3,451,590)
Euro	+5.0	₱49,659
	–5.0	(49,659)
2023		
USD	+5.0	₱4,925,788
	–5.0	(4,925,788)
Euro	+5.0	₱50,479
	–5.0	(50,479)

Equity price risk

The Organization has no equity instruments that are publicly traded, thus, it has no exposure to changes in equity prices.

6. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash on hand	₱13,044	₱108,261
Cash in banks (Note 27)	2,461,183,906	1,765,431,391
	₱2,461,196,950	₱1,765,539,652



Cash in banks consist of demand, savings and time deposit accounts. Peso time deposit placements, with a term of less than three months, bear interest from 4.70% to 6.00% and from 1.00% to 6.20% in 2024 and 2023, respectively. In addition, the Organization has dollar and euro accounts amounting to ₱39.7 million (\$0.68 million) and ₱1.0 million (€0.02 million) as of December 31, 2024, respectively, and ₱34.9 million (\$0.63 million) and ₱1.0 million (€0.02 million) as of December 31, 2023, respectively.

The Organization's peso demand and savings deposits earn annual interest ranging from 0.03% to 1.0% in 2024 and 2023.

Interest income under 'Other income' earned by the Organization from cash in banks amounted to ₱54.8 million and ₱43.6 million in 2024 and 2023, respectively (Note 25).

7. Short-term Investments

Short-term investments represent time deposits and investments in treasury bills with maturities of more than three months but less than one year. As at December 31, 2024 and 2023, the short-term investments amounted to ₱548.4 million and ₱422.0 million, respectively (Note 27).

Short-term investments earn annual interest ranging from 4.0% to 5.9% and from 1.5% to 6.5% in 2024 and 2023, respectively. Interest income under 'Other income' from short-term investments amounted to ₱39.4 million and ₱27.3 million in 2024 and 2023 (Note 25).

8. Receivables from Members

This account consists of:

	2024	2023
Project assistance receivable	₱11,992,474,382	₱10,786,065,933
Members assistance receivable	5,095,397,006	4,062,757,150
	17,087,871,388	14,848,823,083
Allowance for credit losses (Note 16)	(642,655,006)	(443,173,188)
	₱16,445,216,382	₱14,405,649,895

Receivables from members are partially secured by contributions from members recorded as 'Capital build-up' amounting to ₱4.2 billion and ₱3.5 billion as at December 31, 2024 and 2023, respectively (Note 17).

Project assistance receivable and member assistance receivable earn annual effective interest on loans ranging from 12.0% to 56.2% and from 12.0% to 58.8% in 2024 and 2023, respectively.

As of December 31, 2024 and 2023, interest on loans earned from receivables from members are as follows:

	2024	2023
Project assistance receivable	₱5,936,933,561	₱4,888,056,852
Members assistance receivable	2,541,753,782	1,851,199,102
Service fees	90,672,794	82,371,410
Interest on loans	₱8,569,360,137	₱6,821,627,364



Receivables from members include past due receivables amounting to ₱441.5 million and ₱298.7 million as of December 31, 2024 and 2023, respectively.

As of December 31, 2024 and 2023, project assistance receivables with carrying value of ₱230.8 million and ₱1.1 billion, respectively, were used as collateral for interest-bearing borrowings (Note 18).

9. Due from Affiliates

This account consists of:

	2024	2023
CARD Indogrosir, Inc.	₱65,990,030	₱60,058
Padayon Microfinance Inc.	329,172	—
CARD Mutual Benefit Association (MBA), Inc.	213,927	594,315
CARD Pioneer Microinsurance Inc. (CPMI)	23,542	18,100
CARD Clinics & Allied Services, Inc. (CCAS)	19,709	—
Responsible Investment for Solidarity and Empowerment (RISE)	450	4,536
CARD MRI Hijos Tours, Inc. (CMHTI)	400	60,582
CARD OttoKonek, Inc.	—	39,305
Mga Likha ni Inay (MLNI), Inc.	—	2,750
CARD MRI Insurance Agency (CAMIA) Inc.	—	1,250
Total	₱66,577,230	₱780,896

The Organization, CARD MBA, CLFC, CMDI, CARD Publishing House, CMHTI, CPMI, CMPMI, FDS Asya, CMIT, CARD EMPC, CAMIA, CMMI, BotiCARD, MLNI, CBI, CMA, CMRBI, CSMEB, CCAS, Padayon Microfinance, Bente Productions, CARD OttoKonek, CARD Indogrosir, and CARD Masikhay are all members of CARD Mutually Reinforcing Institutions (MRI) Group.

Due from CARD MBA pertains to the Organization's claims due to occurrence of insured events (Note 27).

Due from CMHTI, CARD Indogrosir, CARD OttoKonek, RISE, MLNI, CAMIA, CPMI, and CMMI mainly consist of the affiliates' share in expenses paid for by the Organization (Note 27).

10. Other Receivables

This account consists of:

	2024	2023
Accrued interest on loans receivable (Note 8)	₱200,338,019	₱225,462,268
Receivable from:		
Officers and employees	45,937,170	39,828,560
Other international partners	6,275,232	33,628,715
Other microfinance institutions	12,095,251	13,128,822
Others	2,631,213	1,660,631
Accrued interest receivable (Note 5 and Note 7)	8,282,510	5,223,907
	275,559,395	318,932,903
Allowance for credit losses (Note 16)	(44,037,190)	(66,609,613)
	₱231,522,205	₱252,323,290



Interest income which is included in 'Other income' from the interest-bearing receivables amounted to ₱0.9 million and ₱1.1 million in 2024 and 2023 respectively (Note 25).

11. Financial Assets at FVOCI

	2024	2023
Non-listed equity investments		
CARD Bank Inc.	₱145,550,200	₱145,550,200
CMRBI	15,117,400	15,117,400
CARD MRI Astro Laboratories, Inc.	5,811,300	—
BotiCARD Inc.	5,249,985	5,249,985
Bakawan Data Analytics Inc.	1,000,000	—
UNIHEALTH-Quezon Hospital and Medical Center	1,000,000	—
AppendPay	990,000	990,000
	174,718,885	166,907,585
Unrealized fair value gain (loss)	26,046,413	(15,231,534)
	₱200,765,298	₱151,676,051

In 2024, the Organization acquired 10,000 common shares at ₱100 per share amounting to ₱1.0 million Bakawan Data Analytics Inc. In 2024 and 2023, 201,118 common shares amounting to ₱5.8 million and 366,649 preferred shares at ₱200 per share amounting to ₱73.3 million were reclassified to financial assets at FVOCI from investment in associates, respectively. In 2024, 1,000 common shares of UNIHEALTH-Quezon Hospital and Medical Center amounting to ₱1.0 million was reclassified to financial assets at FVOCI from other assets. No additional investment was made for CBI, CMRBI, BotiCARD and AppendPay for 2024.

In 2020, investment in AppendPay was made which composed of 9,900 common shares at ₱100 per share. AppendPay is engaged in digital financial services which help to provide ease of doing business and convenience to the poor population in the microfinance and social enterprise sector.

Dividend income from financial assets at FVOCI amounted to ₱17.4million and ₱20.6 million in 2024 and 2023, respectively (Note 25).

The rollforward for the Organization's unrealized fair value gain on FVOCI investments follow:

	2024	2023
Balances at beginning of year	(₱15,231,534)	₱3,486,110
Movements on unrealized gain (loss) on financial assets at FVOCI	41,277,947	(18,717,644)
Balance at end of year	₱26,046,413	(₱15,231,534)

The Organization recognized unrealized gain and unrealized loss on market revaluation of financial assets at FVOCI amounting to ₱41.3 million and ₱18.7 million for the years ended December 31, 2024 and 2023, respectively. Fair value changes of financial assets at FVOCI are presented as components of 'Reserves' in fund balance, attributable to the parent company.



12. Investments in Subsidiaries and Associates

This account consists of the following investments:

	2024	2023
Acquisition cost:		
Subsidiaries:		
CMCL – 99.7% owned in 2024 and 2023	₹38,959,342	₹37,186,326
RISE – 61.9% owned in 2024 and 2023	23,984,258	23,984,258
	62,943,600	61,170,584
Associates:		
CBI – 31.0% and 31.1% owned in 2024 and 2023, respectively	584,850,588	507,118,488
CSME – 36.8% owned in 2024 and 2023	519,355,588	401,748,888
CMPM – 34.7% owned in 2024 and 2023	345,299,900	230,730,100
CMRBI – 22.0% owned in 2024 and 2023	186,278,125	186,278,125
CMIT – 26.0% and 25.9% owned in 2024 and 2023, respectively	84,934,700	84,934,700
Matapat – 35.0% owned in 2024 and 2023	73,515,410	48,240,100
CLFC – 19.0% owned in 2024 and 2023	38,000,000	19,000,000
CAMIA – 36.6% owned in 2024 and 2023	18,315,500	18,315,500
CMHI – 12.9% and 13.0% owned in 2024 and 2023, respectively	17,500,000	17,500,000
CCAS – 28.6% owned in 2024	16,744,600	–
Bente – 42.0% owned in 2024	10,499,300	–
MLNI – 14.5% and 14.6% owned in 2024 and 2023, respectively	2,192,300	2,192,300
MIDAS – 15.5% owned in 2024 and 2023	1,304,133	1,304,133
CMHTI – 30.8% owned in 2024 and 2023	1,183,090	799,985
CMPhI – 22.8% and 22.7% owned in 2024 and 2023, respectively	749,920	635,965
CMALI – 19.4% owned in 2023	–	5,811,300
	1,900,723,154	1,524,609,584
Accumulated equity in net earnings:		
Balance at beginning of year	2,789,005,811	2,012,754,448
Share in net income of associates and subsidiaries for the year	1,585,743,273	1,258,754,268
Dividends received	(637,180,099)	(482,502,905)
Reclassification	(4,173,070)	–
	3,733,395,915	2,789,005,811
Accumulated equity in other comprehensive income (loss):		
Balance at beginning of year	(12,632,271)	(2,049,055)
Share in comprehensive income (loss) of associates and subsidiaries for the year	82,593,832	(10,583,216)
Reclassification	95,886	–
	70,057,447	(12,632,271)
	₹5,767,120,116	₹4,362,153,708

CARD Myanmar Company Limited is a private limited company incorporated under Myanmar Companies Act through the Directorate of Investment Company Administration (DICA) with principal activities is to provide three major services such as microfinance, capacity building and technical assistance as per License No. 0207/2015 dated November 5, 2015.



Responsible Investment for Solidarity and Empowerment (RISE) Financing Company, Inc. was established primarily to engage in all operations and activities of financing companies as provided in the Financing Company Act Republic Act (RA) No. 8556.

CARD Bank, Inc. a microfinance-oriented rural bank, is engaged in extending microcredit and rural credit to small farmers and tenants and to deserving rural industries or enterprises. CARD Bank offers a wide range of products and services such as deposit products, loans, and treasury that cater mainly to the consumer market.

CARD SME Bank, Inc. is a thrift bank which offers working capital financing to businesses engaged in agricultural services, industry and housing and provides diversified financial and allied services for its chosen market and constituents especially for small and medium enterprises, microfinance, and individuals.

CMPM was established primarily to engage in the business of property management and to invest and acquire real property in accordance with the Corporation Code of the Philippines.

CMRBI was established primarily to engage in the business of rural banking as defined and authorized under RA No. 3779, as amended, such as granting loans to small farmers and to deserving rural enterprises, as well as receiving deposits in accordance with the regulations promulgated by the Monetary Board.

CMIT was established primarily to provide CARD MRI's major information technology services. As a major service offered to its sister institutions, integrated solutions for microfinance and micro-insurance have become the area of specialization of CMIT.

CARD Matapat Holdings (formerly Asenso Tech, Inc.; the Company) was established primarily to acquire and hold investment shares of stocks, any bonds, debentures and securities, or obligations, created, negotiated or issued by any foreign or domestic corporation, association or other entity and to provide business support to its subsidiaries, affiliates and other related companies to continuously enhance service, compliance and productivity and core practices.

CLFC was incorporated to extend credit facilities to consumer and industrial, commercial or agricultural enterprises by direct lending, or by discounting or factoring commercial papers or account receivables or by buying and selling contracts without quasi-banking activities.

CAMIA primarily engages in the business of selling life and nonlife insurance products and other related services.

CMHI was established primarily to acquire and hold investment shares of stocks, any bonds, debentures and securities, or obligations, created, negotiated or issued by any foreign or domestic corporation, association or other entity and to provide business support to its subsidiaries, affiliates and other related companies to continuously enhance service, compliance and productivity and core practices.

CARD MRI ASTRO (CMALI). was engage in manufacturing, selling alcohol, disinfectant and cleaning products for the members and clients of the Center for Agriculture and Rural Development-Mutually Reinforcing Institutions (CARD-MRI).

MLNI was engage in manufacturing, selling, advertising, promoting, consolidating, and trading of products of the members and clients of the Center for Agriculture and Rural Development-Mutually Reinforcing Institutions (CARD-MRI).



The Microfinance Information Data Sharing Inc. (MiDAS) is the credit bureau for microfinance institutions (MFIs) in the Philippines. It is the data sharing system that allows MFIs to submit reports, send inquiries, and retrieve results on borrower information. CMHTI was created primarily to provide a heritage tour program for local, inbound and outbound tours and to create a venue for inclusive tourism where CARD clients and their families will be involved.

CARD MRI Publishing House Inc. () was established primarily to provide a development newspaper and other publications to CARD MRI stakeholders and the public and to communicate microfinance and community development programs to the CARD MRI, the public and the community.

CARD Clinics and Allied Services Inc. (CCAS) was created to provide comprehensive and accessible healthcare through diagnostic and allied services, ensuring accuracy, collaboration, innovation, and patient well-being while adhering to ethical standards and professional qualifications, without operating as an Health Maintenance Organization (HMO).

BENTE Productions, Inc. (BENTE) was established to operate in motion picture, video, and television production, including digital distribution, engage in support activities like editing, and manage the distribution, marketing, and promotion of film productions across various media platforms.

Except for CARD Bank, CARD SME Bank, CAMIA, CMIT, CMRBI, CMHI, CMA, CARD Matapat Holdings, and MIDAS, the principal place of business of associates is in M. L. Quezon Street, City Subdivision, San Pablo City, Laguna. CARD Bank, CAMIA, CMIT,, and CMHI's principal place of business is located in 35 Padre Burgos St. cor. M. Paulino St., San Pablo City, Laguna. CARD SME Bank's principal place of business is located at 120 M. Paulino Street cor. Burgos Street, San Pablo City, Laguna. CMRBI's principal place of business is at P. Guevarra St., cor. Aguirre St., Brgy. Poblacion 2, Sta. Cruz, Laguna. CMA's principal office is located at 27, PHIL-AM Road, Kapitolyo, Pasig City. CARD Matapat Holdings' principal office is located at 10F Rockwell Building Hidalgo cor. Plaza Drive Rockwell Center, Poblacion, Makati City. MIDAS's principal office is located at 3F TSKI Corporate Office, National Highway, Brgy. Mali-ao, Palvia, Iloilo.

The Organization's associates are all private companies and there are no quoted market prices available for their shares.

The breakdown of dividends from associates is shown below:

	2024	2023
CBI	₱325,594,185	₱230,433,644
CSME	176,407,200	99,229,050
CMIT	52,887,007	41,128,206
CMRBI	46,200,000	73,920,000
CAMIA	25,641,700	25,641,700
CLFC	10,450,000	11,400,000
CMPuHI	7	335,969
CMHTI	—	239,997
CMALI	—	174,339
Total	₱637,180,099	₱482,502,905



Limitations on dividend declaration of associates

The Bangko Sentral ng Pilipinas (BSP) requires banks to keep certain levels of regulatory capital and liquid assets, limit their exposures to other parts of the Organization and comply with other regulatory ratios.

As of December 31, 2024 and 2023, there were no agreements entered into by the associates of the Organization that may restrict dividends and other capital distributions to be paid, or loans and advances to be made or repaid to or from the Organization. The dividend declarations and payments of the investee banks are subject to the approval of BSP.

As of December 31, 2024 and 2023, accumulated equity in net earnings amounting to ₱3.7 billion and ₱2.8 billion is not available for dividend declaration. The accumulated equity in net earnings becomes available for dividends upon declaration and receipt of cash dividends from the investees.

As of December 31, 2024 and 2023, the Organization has no share on commitments and contingencies of its associates.



The following tables present the summarized financial information of associates as at and for the years ended December 31, 2024 and 2023:

December 31, 2024																
	CARD SME Bank	CARD Bank	CMIT	CAMIA	CMRBI	CLFC	CMPM	CMHI	CARD Hijos Tours	CARD Publishing House	Mga Likha ni Inay	CARD Matapat Holdings	MIDAS	Bente Productions	CCAS	
Statement of assets, liabilities and fund balance																
Current assets	P11,356,913,473	23,642,830,253	P258,954,716													
Noncurrent assets	873,704,568	6,273,592,712	645,845,615	266,758,453	326,866,693	439,549,833	741,279,517	244,868,878	1,891,555	2,172,417	7,082,194	129,445,674	786,421	585,049	11,151,510	
Current liabilities	8,508,332,464	16,722,984,133	38,997,905	31,349,035	4,895,682,891	371,097,963	7,501,187	156,507	775,937	964,591	8,806,517	18,144	1,568,631	167,349	1,189,723	
Noncurrent liabilities	512,465,324	3,210,712,005	31,355,166	9,328,841	233,297,435	334,222,860	25,049,202	—	—	396,144	—	—	570,369	24,742,540	—	
Statement of revenue over expenses																
Gross income	4,011,073,349	9,375,807,082	581,598,750	243,550,278	2,726,165,581	221,656,350	53,592,727	34,520,789	14,423,279	26,324,549	29,764,355	3,913,110	15,929,327	882,607	7,794,927	
Expenses	3,016,002,581	6,320,065,476	372,370,523	75,888,507	2,043,411,694	158,459,411	37,252,814	488,337	12,665,357	17,397,949	17,909,059	417,740	9,291,572	722,367	8,577,240	
Net income (loss)	995,070,768	3,055,741,606	209,228,227	167,661,771	682,753,887	63,196,939	16,339,913	34,032,452	1,757,922	8,926,600	11,855,296	3,495,370	6,637,665	160,240	(782,313)	
Statement of comprehensive income (loss)																
Other comprehensive income (loss)	(13,485,286)	(35,858,866)	80,911,409	33,379,115	(20,114,819)	1,667,323	-333,363	31,586,913	—	—	—	—	—	—	—	
Total comprehensive income	981,585,482	3,019,882,741	290,139,636	201,040,886	662,639,068	64,864,262	16,006,550	65,619,365	1,757,922	8,926,600	11,855,296	3,495,370	6,637,665	160,240	(782,313)	
Net assets	P3,209,820,253	P9,982,726,827	P834,447,260	P312,817,103	P2,351,746,154	P234,970,963	P842,202,849	P286,668,068	P9,157,270	P15,933,975	P28,927,817	P260,980,016	P30,649,781	P25,160,240	P47,212,987	
Percentage of ownership interest	36.8%	31.0%	25.9%	36.6%	22.0%	19.0%	34.7%	12.9%	30.8%	22.8%	14.5%	35.0%	15.5%	42.0%	28.6%	
Carrying value of investment	P1,132,047,405	P3,125,342,443	P234,022,891	P137,316,310	P513,623,282	P48,096,528	P358,325,845	P40,933,624	P2,742,611	P3,834,821	P4,743,887	P74,293,692	P3,019,891	P10,569,009	P16,521,093	
December 31, 2023																
	CARD SME Bank	CARD Bank	CMIT	CAMIA	CMA	CMRBI	CLFC	CMPM	CMHI	CARD Hijos Tours	CARD Publishing House	Mga Likha ni Inay	CARD Matapat Holdings	MIDAS		
Statement of assets, liabilities and fund balance																
Current assets	P7,804,141,472															
Noncurrent assets	2,198,621,787	6,605,836,116	490,481,131	216,990,979	9,926,264	197,002,810	327,609,024	585,956,500	183,372,157	839,486	873,046	3,979,003	91,093,936	385,162		
Current liabilities	7,243,267,124	15,383,792,652	82,211,918	14,542,018	5,621,128	3,561,004,227	287,560,291	9,866,205	141,680	816,344	729,128	5,942,350	94,466	694,272		
Noncurrent liabilities	303,238,564	1,525,043,679	14,424,823	8,678,922	136,307	1,420,363,834	196,337,724	10,445,574	—	—	—	—	—	—		
Statement of revenue over expenses																
Gross income	3,314,708,153	7,792,238,740	512,125,352	185,628,544	53,325,026	2,358,541,550	256,388,652	26,739,100	30,924,607	14,490,342	24,503,988	15,688,345	2,049,269	9,270,154		
Expenses	2,626,308,722	5,335,694,315	297,098,012	89,981,697	34,025,000	1,825,945,554	204,832,882	12,534,185	464,311	12,979,510	23,625,996	11,944,973	589,287	6,580,931		
Net income (loss)	688,399,431	2,456,544,425	215,027,340	95,646,847	19,300,026	532,595,996	51,555,770	14,204,915	30,460,296	1,510,832	877,992	3,743,372	1,459,982	2,689,223		
Statement of comprehensive income (loss)																
Other comprehensive income (loss)	(25,247,180)	(25,828,872)	13,115,242	99,578,980	(495,025)	(13,853,750)	491,393	(1,122,309)	7,134,981	(382,397)	(258,673)	114,212	—	—		
Total comprehensive income	663,152,251	2,430,715,553	228,142,582	195,225,827	18,805,001	518,742,246	52,047,163	13,082,606	37,595,277	1,128,435	619,319	3,857,584	1,459,982	2,689,223		
Net assets	P2,456,257,571	P8,138,143,581	P748,715,664	P233,543,629	P48,309,995	P1,919,107,086	P161,068,176	P651,316,599	P217,761,204	P6,199,794	P8,547,386	P17,371,083	P127,345,733	P		
Percentage of ownership interest	36.8%	31.1%	25.9%	36.6%	19.4%	22.0%	19.0%	34.7%	13.0%	30.8%	22.7%	14.6%	35.0%	15.5%		
Carrying value of investment	P830,152,771	P2,425,875,700	P201,970,165	P63,345,572	P9,888,483	P420,428,666	P30,663,326	P238,212,450	P30,910,423	P1,818,945	P2,246,390	P3,447,707	P47,993,487	P1,902,151		



13. Property and Equipment

The composition of and movements in this account follow:

	2024						Total
	Land	Building and Improvements	Transportation Equipment	Furniture and Equipment	Right-of-use Asset	Construction in Progress	
Cost							
Balance at beginning of year	₱70,816,712	₱101,457,960	₱26,547,212	₱140,706,763	₱152,180,584	₱2,856,000	₱494,565,231
Additions	4,800,000	–	7,951,924	28,572,475	115,494,703	5,823,600	162,642,702
Disposals	–	(2,600,000)	(1,466,304)	(5,109,843)	(105,156,110)	–	(114,332,257)
Balance at end of year	75,616,712	98,857,960	33,032,832	164,169,395	162,519,177	8,679,600	542,875,676
Accumulated Depreciation and Amortization							
Balance at beginning of year	–	69,774,245	18,700,652	92,440,952	86,707,292	–	267,623,141
Depreciation and amortization	–	5,149,437	2,774,273	21,772,891	83,271,368	–	112,967,969
Disposals	–	–	(1,466,304)	(5,060,538)	(101,391,419)	–	(107,918,261)
Balance at end of year	–	74,923,682	20,008,621	109,153,305	68,587,241	–	272,672,849
Net Book Value	₱75,616,712	₱23,934,278	₱13,024,211	₱55,016,090	₱93,931,936	₱8,679,600	₱270,202,827

	2023						Total
	Land	Building and Improvements	Transportation Equipment	Furniture and Equipment	Right-of-use Asset	Construction in Progress	
Cost							
Balance at beginning of year	₱79,888,321				₱475,950,319		
Additions	–				4,393,310	24,893,015	2,856,000
					(44,126,751)	56,282,887	94,017,090
Disposals	(9,071,609)	(13,835,128)	(845,590)	(6,443,100)	–	(1,080,000)	(75,402,178)
Balance at end of year	70,816,712	101,457,960	26,547,212	140,706,763	152,180,584	2,856,000	494,565,231
Accumulated Depreciation and Amortization							
Balance at beginning of year	–	78,142,557	17,744,842	74,961,680	65,949,412	–	236,798,491
Depreciation and amortization	–	5,466,816	1,801,400	23,851,379	71,320,427	–	102,440,021
					(50,562,546)		
Disposals	–	(13,835,128)	(845,590)	(6,372,107)	–	–	(71,615,372)
Balance at end of year	–	69,774,245	18,700,652	92,440,952	86,707,293	–	267,623,140
	₱			₱	₱		
Net Book Value	70,816,712	₱31,683,715	₱7,846,560	48,265,811	65,473,292	₱2,856,000	₱226,942,090

Depreciation on property and equipment, investment properties and intangible assets are recorded under the following expense accounts in the statement of revenue over expenses:

	2024	2023
Project related expenses (Note 22)	₱111,858,998	
Health program	103,346	595,344
Research program	137,139	148,830
Other expenses (Note 25)	3,218,521	3,422,872
	₱115,318,005	₱105,822,932

Gain on disposal of property and equipment of the Organization resulted to nil in 2024 and 2023, which is included under 'Other income' in the statements of revenue over expenses (Note 25).

As at December 31, 2024 and 2023, the cost of fully depreciated assets still in use by the Organization amounted to ₱65.5 million and ₱52.3 million, respectively.



14. Investment Properties

The composition of and movements in this account follow:

	2024		
	Land	Building and Improvements	Total
Cost			
Balance at beginning and end of the year	₱28,442,566	₱72,642,582	₱101,085,148
Accumulated Depreciation			
Balance at beginning of year	–	61,898,675	61,898,675
Depreciation and amortization	–	2,048,060	2,048,060
Balance at end of year	–	63,946,735	63,946,735
Allowance for impairment losses (Note 16)	(5,631,320)	–	(5,631,320)
Net Book Value	₱22,811,246	₱8,695,847	₱31,507,093

	2023		
	Land	Building and Improvements	Total
Cost			
Balance at beginning of the year	₱28,442,566	₱72,642,582	₱101,085,148
Balance at end of year	28,442,566	72,642,582	101,085,148
Accumulated Depreciation			
Balance at beginning of year	–	59,654,386	59,654,386
Depreciation and amortization	–	2,244,289	2,244,289
Balance at end of year	–	61,898,675	61,898,675
Allowance for impairment losses (Note 16)	(5,631,320)	–	(5,631,320)
Net Book Value	₱22,811,246	₱10,743,907	₱33,555,153

The Organization leases properties to CARD Bank, CARD MBA, CARD BDSF, CARD SME Bank, CMDI, CLFC, BotiCARD and MLNI. Rent income from investment properties included in ‘Other income’ in the statements of revenue over expenses totaled to ₱8.8 million and ₱8.1 million in 2024 and 2023, respectively (Note 25). Direct operating expenses on investment properties that generated rental income in 2024 and 2023 included under ‘Depreciation and amortization’, ‘Taxes and licenses’, ‘Repairs and maintenance’, and ‘Insurance expense’ amounted to ₱2.5 million and ₱2.8 million in 2024 and 2023, respectively.

Depreciation on investment properties amounting to ₱2.0 million and ₱2.2 million in 2024 and 2023, respectively, is included under ‘Other expenses’ in the ‘Other administrative expenses’ in the statements of revenue over expenses (Note 25).



15. Other Assets

This account consists of:

	2024	2023
Financial assets		
Advances	₱45,477,476	₱42,953,070
Security deposits	28,162,240	22,811,926
Subscription to CARD entities' shares	19,189,340	50,875,040
	92,829,056	116,640,036
Nonfinancial assets		
Prepaid expenses	30,985,792	15,620,767
Supplies on hand	—	1,423,515
	30,985,792	17,044,282
	₱123,814,848	₱133,684,318

Others in financial assets represent investments from KFarm, Unihealth, Union College and Matapat Holdings.

Security deposits include security deposits on unit office rentals and motorcycle and computers leased from CLFC.

Prepaid expenses include advances for office rental and payment for suppliers and contractors.

Subscription to CARD entities' shares pertains to deposits made by the Organization for future stock subscription for the proposed increase of capital stock of CARD Bank, Inc., CARD PCPD Medical Center, Inc. and Matapat Holdings, Inc.

Supplies on hand include accountable forms, toners and cleaning materials issued to unit offices which are not yet consumed.

Intangible assets are portion of payment made for the Core Microfinance System (CMFS) project not yet fully implemented and on pilot stage. The movements of intangible assets follow:

	2024	2023
Cost		
Balance at beginning of year	₱—	₱3,622,862
Disposals	—	(3,622,862)
Balance at end of year	—	—
Accumulated Amortization		
Balance at beginning of year	—	2,484,240
Amortization (Note 22)	—	1,138,622
Disposals	—	(3,622,862)
Balance at end of year	—	—
Net Book Value	₱—	₱—



16. Allowance for Credit and Impairment Losses

The movements in the allowance for credit and impairment losses follow:

2024							
	Receivables from Members (Note 8)			Other Receivables (Note 10)	Investment Properties (Note 14)	Other Assets (Note 15)	Total
	Project Assistance Receivable	Member Assistance Receivable	Total				
Balance at beginning	₱366,574,162	₱76,599,026	₱443,173,188	₱66,609,613	₱5,631,320	₱-	₱515,414,121
Provision for credit losses and impairment losses	294,811,326	92,449,191	387,260,517	9,835,141	-	-	397,095,658
Accounts written-off	(157,100,811)	(30,677,888)	(187,778,699)	(32,407,564)	-	-	(220,186,263)
Balance at end of year	₱504,284,677	₱138,370,329	₱642,655,006	₱44,037,190	₱5,631,320	₱-	₱692,323,516

2023							
	Receivables from Members (Note 8)			Other Receivables (Note 10)	Investment Properties (Note 14)	Other Assets (Note 15)	Total
	Project Assistance Receivable	Member Assistance Receivable	Total				
Balance at beginning	₱210,141,104	₱213,507,273	₱423,648,377	₱71,246,098	₱5,631,320	₱-	₱500,525,795
Provision for credit losses and impairment losses	300,243,481	(109,429,256)	190,814,225	(1,419,284)	-	-	189,394,941
Accounts written-off	(143,810,423)	(27,478,991)	(171,289,414)	(3,217,201)	-	-	(174,506,615)
Balance at end of year	₱366,574,162	₱76,599,026	₱443,173,188	₱66,609,613	₱5,631,320	₱-	₱515,414,121

Summary of provisions from credit and impairment losses follows (Note 22):

	2024	2023
Receivable from members	₱387,312,736	₱190,814,226
Other receivables	9,835,141	(1,419,285)
Total	₱397,147,878	₱189,394,941

At the current level of allowance for impairment and credit losses, management believes that the Organization has sufficient allowance to cover any losses that may be incurred from the non-collection or non-realization of its loans and receivables and other risk assets.

The tables below illustrate the movements of the allowance for impairment and credit losses during the year (effect of movements in ECL due to transfers between stages are shown in the total column):

	ECL Staging			
	Stage 1	Stage 2	Stage 3	Total
Loss allowance at January 1, 2024	₱255,010,690	₱21,725,066	₱166,437,432	₱443,173,188
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(27,050,905)	27,050,905	-	-
Transfer from Stage 1 to Stage 3	(266,361,903)	-	266,361,903	-
Transfer from Stage 2 to Stage 1	146,664,767	(146,664,767)	-	-
Transfer from Stage 2 to Stage 3	-	(1,400,207)	1,400,207	-
New financial assets originated or purchased	762,268,704	-	-	762,268,704
Changes in PDs/LGDs/EADs	(522,699,123)	-	(21,397,281)	(501,301,841)
Financial assets derecognized during the period	-	-	1,400,207	1,400,207
Total net P&L charge during the period	92,821,541	5,331,804	289,159,391	387,312,736
Other movements without P&L impact				
Write-offs and other movements	-	-	(187,830,918)	(187,830,918)
Total movements without P&L impact	-	-	(187,830,918)	(187,830,918)
Loss allowance at December 31, 2024	₱347,832,232	₱27,056,870	₱267,765,904	₱642,655,006



	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
Loss allowance at January 1, 2023	₱206,507,890	₱—	₱217,140,487	₱423,648,377
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(21,716,526)	21,716,526	—	—
Transfer from Stage 1 to Stage 3	(156,413,313)	—	156,413,313	—
Transfer from Stage 2 to Stage 1	5,413,656	(5,413,656)	—	—
Transfer from Stage 2 to Stage 3	—	(10,024,118)	10,024,118	—
Transfer from Stage 3 to Stage 2	—	8,540	(8,540)	—
New financial assets originated or purchased	433,140,530	—	—	433,140,530
Changes in PDs/LGDs/EADs	(211,921,547)	15,429,234	(55,866,650)	(252,358,963)
Financial assets derecognized during the period	—	8,540	10,024,118	10,032,658
Total net P&L charge during the period	48,502,800	21,725,066	120,586,359	190,814,225
Other movements without P&L impact				
Write-offs and other movements	—	—	(171,289,414)	(171,289,414)
Total movements without P&L impact	—	—	(171,289,414)	(171,289,414)
Loss allowance at December 31, 2023	₱255,010,690	₱21,725,066	₱166,437,432	₱443,173,188

The corresponding movement of the gross carrying amount of the receivables from members, including accrued interest on loans receivable, are shown below:

	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
Gross carrying amount at January 1, 2024	₱14,783,971,419	₱33,437,733	₱256,876,199	
Movements with provision impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(38,305,257)	38,305,257	—	—
Transfer from Stage 1 to Stage 3	(377,720,707)	—	377,720,707	—
Transfer from Stage 2 to Stage 1	16,870,210,336	(16,870,210,336)	—	—
Transfer from Stage 2 to Stage 3	—	(1,973,108)	1,973,108	—
New financial assets originated or purchased	16,846,731,626	—	—	16,846,731,626
Movements in outstanding balances	(13,928,455,044)	16,838,754,185	(67,066,386)	2,843,232,756
Financial assets derecognized during the period	(17,286,236,299)	—	(1,973,108)	(17,288,209,407)
Write-offs and other movements	—	—	(187,830,918)	(187,830,918)
Gross carrying amount at December 31, 2024	₱16,870,196,075	₱38,313,730	₱379,699,603	₱17,288,209,407

	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
Gross carrying amount at January 1, 2023	₱11,954,739,038	₱—	₱218,023,990	₱12,172,763,028
Movements with provision impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(33,423,675)	33,423,675	—	—
Transfer from Stage 1 to Stage 3	(241,297,904)	—	241,297,904	—
Transfer from Stage 2 to Stage 1	8,358,222	—	—	—
Transfer from Stage 2 to Stage 3	—	(15,578,295)	15,578,295	—
Transfer from Stage 3 to Stage 2	—	14,057	(14,057)	—
New financial assets originated or Purchased	14,446,058,175	—	—	14,446,058,175
Movements in outstanding balances	(11,067,382,635)	23,950,575	(31,142,224)	(11,074,574,284)
Financial assets derecognized during the period	(283,079,802)	(14,057)	(15,578,295)	(298,672,154)
Write-offs and other movements	—	—	(171,289,414)	(171,289,414)
Gross carrying amount at December 31, 2023	₱14,783,971,419	₱33,437,733	₱256,876,199	₱15,074,285,351



17. Capital Build-up

This account represents the aggregate contribution of members for capital build-up purposes which then serve as partial security for repayable project assistance receivable granted to them (Note 8). Capital build-up is built up through weekly members' contribution of at least ₱50 per week.

Administrative fee expenses related to 'Capital build-up, under 'Interest expense' in 'Project-related expenses' amounted to ₱113.4 million and ₱100.9 million in 2024 and 2023, respectively (Note 22).

18. Borrowings

This account consists of borrowings from financing institutions and other CARD entities bearing annual interest rates ranging from 0.0% to 7.1% in 2024 and 2023, and are payable in annual, lump-sum and quarterly installments until 2025. Financing obtained from creditors are used to fund the Organization's project assistance receivable.

The amendments to PFRS 7 require the Organization to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under unenforceable master meeting arrangements. As of December 31, 2024 and 2023, the borrowings' financial collateral has fair values of ₱230.8 million and ₱1.1 billion which comes from project assistance receivable (Note 8). These arrangements do not meet PAS 32 offsetting criteria.

The Organization has available credit lines with various financial institutions amounting to ₱3.3 billion and ₱2.9 billion as at December 31, 2024 and 2023, respectively. In 2024 and 2023, interest on borrowings amounting to ₱26.9 million and ₱23.6 million, respectively, is presented under 'Interest expense' in 'project-related expenses' in the statements of revenue over expenses (Note 22).

19. Accounts Payable and Other Liabilities

This account consists of:

	2024	2023
Financial liabilities		
Accounts payable	₱103,586,658	₱117,672,533
Lease liabilities (Note 26)	94,144,327	64,054,416
Accrued expenses	93,881,078	97,971,456
Funds held-in-trust	64,968,934	59,294,459
CARD Community Scholarship Program	29,148,000	76,673,060
Due to affiliates (Note)	485,432	623,055
	386,214,429	416,288,979
Nonfinancial liabilities		
Income tax payable	43,588,831	37,873,465
Withholding taxes payable	8,209,381	6,426,872
Others	30,276,796	25,524,082
	82,075,008	69,824,419
	₱468,289,437	₱486,113,398

Accounts payable includes health programs, stock dividends, claims of resigned staffs on their basic pay and billings from suppliers and contractors.



CARD Community Scholarship Program pertains to accruals of educational support to the Organization's members' children. The accrual for the scholarship program is expected to be disbursed within 5 years from the reporting period.

Funds held-in-trust represents grants that are allotted for a specific purpose which will be returned to the donor if the specific purpose is not complied with.

The accrued expenses account includes accrual for:

	2024	2023
Vacation leave	₱53,216,106	₱50,983,628
Interest expense	19,087,793	3,321,947
Supervision and examination	2,439,668	294,112
Grants	12,047,285	37,749,152
Others	7,090,226	5,622,617
	₱93,881,078	₱97,971,456

Other non-financial liabilities refer to statutory obligations (e.g., SSS, PhilHealth and Pag-IBIG) and VAT payable.

20. Maturity Analysis of Assets and Liabilities

The table below shows an analysis of the assets and liabilities analyzed according to whether they are expected to be recovered or settled within one year and beyond one year from reporting date (in thousands).

	2024			2023		
	Within One Year	Beyond One Year	Total	Within One Year	Beyond One Year	Total
Financial Assets						
Cash and cash equivalents	₱2,461,197	₱–	₱2,461,197	₱1,765,540	₱–	₱1,765,540
Short-term investments	548,414	–	548,414	422,023	–	422,023
Receivables	17,395,286	34,722	17,430,008	15,105,008	63,529	15,168,537
Financial Assets at FVOCI	–	200,765	200,765	–	151,676	151,676
Other assets	86,608	37,208	123,816	58,685	74,999	133,684
	20,491,505	272,695	20,764,200	17,351,256	290,204	17,641,460
Nonfinancial Assets						
Investments in subsidiaries and associates	–	5,767,120	5,767,120	–	4,362,154	4,362,154
Property and equipment	–	542,876	542,876	–	494,565	494,565
Investment properties	–	101,085	101,085	–	101,085	101,085
Retirement asset	–	396,753	396,753	–	408,411	408,411
	–	6,807,834	6,807,834	–	5,366,215	5,366,215
	20,491,505	7,080,529	27,572,034	17,351,256	5,656,419	23,007,675
Allowance for impairment and credit losses			(692,324)			(515,414)
Accumulated depreciation and amortization			(336,620)			(329,522)
Total Assets			₱26,543,090			₱22,162,739
Financial Liabilities						
Accounts payable, accrued expenses and other liabilities	₱319,240	₱149,050	₱468,289	₱360,169	₱125,944	₱486,113
Capital build-up	7,708,613	284	7,708,897	6,897,922	334	6,898,256
Borrowings	281,553	45,448	327,001	1,141,896	107,507	1,249,403
Total Liabilities	₱8,309,406	₱194,782	₱8,504,187	₱8,399,987	₱233,785	₱8,633,772



21. Retirement Plan

The Organization, CARD Bank, CARD MBA, CARD SME Bank, CAMIA, CARD BDSF, CMIT, BotiCARD, CMDI, MLNI, CARD MRI RBI, CLFC, FDSAP, CMPMI, CMHTI, CMPuHI, CMA, CARD Masikhay, CCAS, Bakawan, Bente Productions, and EMPC maintain a funded and formal noncontributory defined benefit retirement plan - the CARD MRI Multi-Employer Retirement Plan (MERP) - covering all of their regular employees and CARD Group Employees' Retirement Plan (Hybrid Plan) applicable to employees hired on or after July 1, 2016. MERP is valued using the projected unit cost method and is financed solely by the Organization and its related parties.

MERP and the Hybrid Plan are compliant with the requirements of RA No. 7641 (Retirement Law). MERP provides lump sum benefits equivalent to up to 120% of final salary for every year of credited service, a fraction of at least six (6) months being considered as one whole year, upon retirement, death, total and permanent disability, or voluntary separation after completion of at least one year of service with the participating companies.

The Hybrid Plan provides a retirement benefit equal to 100% of the member's employer accumulated value (the Organization's contributions of 8% plan salary to Fund A plus credited earnings) and 100% of the member's employee accumulated value (member's own contributions up to 10% of plan salary to Fund B plus credited earnings), if any. Provided that in no case shall 100% of the employer accumulated value in Fund A be less than 100% of plan salary for every year of credited service.

Total retirement expense in 2024 and 2023 amounted to ₱18.2 million and ₱10.3 million, respectively. The latest actuarial valuation report covers reporting period as of December 31, 2023.



Changes in the net defined benefit asset (liability) of the Organization for 2024 and 2023 are as follows:

2024												
	Net benefit cost in the statement of revenue over expenses						Remeasurements in other comprehensive income					
	January 1	Current service cost	Net interest	Net pension expense*	Benefits paid	Transfer from (to) plan assets	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Changes in the effect of limiting net defined benefit to the asset ceiling	Subtotal	Contribution by employer
Fair value of plan assets	₱1,086,915,140	₱–	₱67,442,640	₱67,442,640	(₱30,360,235)	(₱12,257,458)	(₱18,311,624)	₱–	₱–	₱–	(₱18,311,624)	₱69,199,822
Present value of defined benefit obligation	(508,257,500)	(44,009,196)	(31,156,185)	(75,165,381)	30,360,235	12,257,458	–	(108,149,286)	(2,838,774)	–	(110,988,060)	–
Effects of asset ceiling	(170,246,615)	–	(10,436,117)	(10,436,117)	–	–	–	–	–	66,600,908	66,600,908	–
Net defined benefit asset (liability)	₱408,411,025	(₱44,009,196)	₱25,850,338	(₱18,158,858)	₱–	₱–	(₱18,311,624)	(₱108,149,286)	(₱2,838,774)	₱66,600,908	(₱62,698,776)	₱69,199,822
												₱396,753,213

*Included in 'Salaries, wages and employee benefits' under 'Project related expenses' and 'Other expenses' in the statement of revenue over expenses

2023												
	Net benefit cost in the statement of revenue over expenses						Remeasurements in other comprehensive income					
	January 1	Current service cost	Net interest	Net pension expense*	Benefits paid	Transfer from (to) plan assets	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Changes in the effect of limiting net defined benefit to the asset ceiling	Subtotal	Contribution by employer
Fair value of plan assets	₱1,007,303,053	₱–	₱74,596,836	₱74,596,836	(₱21,829,045)	(₱4,824,017)	(₱21,331,753)	₱–	₱–	₱–	(₱21,331,753)	₱53,000,066
Present value of defined benefit obligation	(416,098,032)	(38,578,670)	(30,416,766)	(68,995,436)	21,829,045	4,824,017	–	8,484,745	(58,301,839)	–	(49,817,094)	–
Effects of asset ceiling	(217,182,471)	–	(15,876,039)	(15,876,039)	–	–	–	–	–	62,811,895	62,811,895	–
Net defined benefit asset (liability)	₱374,022,550	(₱38,578,670)	₱28,304,031	(₱10,274,639)	₱–	₱–	(₱21,331,753)	₱8,484,745	(₱58,301,839)	₱62,811,895	(₱8,336,952)	₱53,000,066
												₱408,411,025

*Included in 'Salaries, wages and employee benefits' under 'Project related expenses' and 'Other expenses' in the statement of revenue over expenses



The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions. The fair value of plan assets by each class as at the end of the reporting period are as follow:

	2024	2023
Cash and cash equivalents	₱139,050,343	₱127,821,220
Investments:		
Debt securities – Gov’t bonds	691,066,253	738,450,146
Debt securities – Other bonds	46,388,868	46,628,660
Receivables	273,333,910	161,950,356
Others	12,788,911	12,064,758
Fair value of plan assets	₱1,162,628,285	₱1,086,915,140

All plan assets do not have quoted prices in the active market except government bonds. Cash and cash equivalents are with reputable financial institutions and related parties and are deemed to be standard grade, while mutual funds, receivables and other assets are unrated. The plan assets have diverse investments and do not have any concentration risk.

MERP performs an Asset-Liability Matching Study (ALM) annually. The overall investment policy and strategy of the Organization’s defined benefit plans is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risk of the plans.

The latest actuarial valuation study of the retirement plan covers December 31, 2024. The principal assumptions used in determining pension for the defined benefit plan are shown below:

	2024	2023
Discount rate	6.09%	6.13%
Future salary increases	5.00%	5.00%

The average duration of the defined benefit retirement liability at the end of the reporting period is 11.0 years for the Organization.

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

	2024		2023	
	Decrease of 1.0%	Increase of 1.0%	Decrease of 1.0%	Increase of 1.0%
Discount rate	₱77,809,766	(₱65,485,086)	₱59,544,129	(₱50,133,743)
Salary rate	(66,691,582)	77,881,873	(51,075,392)	59,623,759

Shown below are the 10-year maturity analyses of the undiscounted benefit payments of the Organization:

	2024	2023
Less than 1 year	₱54,681,723	₱44,108,904
More than 1 year to 5 years	231,367,591	193,386,107
More than 5 years to 10 years	305,982,135	257,569,226
More than 10 years to 15 years	503,478,218	343,192,239
More than 15 years to 20 years	766,236,864	506,431,398
More than 20 years to 25 years	890,296,257	624,202,868
More than 25 years	1,385,522,629	1,067,474,051



The Organization plans to contribute ₱84.3 million to the defined benefit retirement plan in 2025.

22. Project-Related Expenses

This account consists of:

	2024	2023
Salaries, wages and employee benefits (Notes 21 and 27)	₱2,379,669,843	₱2,017,017,113
Transportation and travel	863,094,593	746,524,710
Provision for credit and impairment losses (Note 16)	397,147,878	189,394,941
Supplies and materials	356,598,573	332,343,171
Rental expenses (Note 26)	170,065,057	161,400,862
Interest expense (Notes 17, 18 and 26)	145,306,960	128,641,036
Staff training and development (Note 27)	141,844,342	144,034,441
Information technology (Note 27)	132,420,317	107,702,019
Depreciation and amortization (Note 13)	111,858,998	101,655,886
Client training and development	111,772,418	49,336,443
Janitorial, messengerial and security	67,372,704	62,124,293
Taxes and licenses	64,199,880	53,335,834
Program monitoring and evaluation	58,749,426	46,423,405
Utilities	57,503,478	52,620,789
Communication and postage	55,043,068	35,743,543
Repairs and maintenance	11,091,208	9,442,095
Seminars and meetings	8,085,496	11,106,592
Insurance expense	6,526,989	6,074,537
Others	110,311,368	82,716,470
	₱5,248,662,596	₱4,337,638,180

Other expenses include representation, periodicals and magazines, membership and dues, supervision and examination, management and other professional fees, advertising and publicity and miscellaneous expenses.

23. Income and Other Taxes

On November 3, 2015, RA No. 10693 otherwise known as “An Act Strengthening Nongovernment Organizations (NGOs) Engaged in Microfinance Operations for the Poor” (the “Microfinance NGOs Act” or the “Act”) was approved and signed by the President of the Republic of the Philippines. The law was enacted by virtue of the policy of the State to pursue a program of poverty eradication wherein poor Filipino families shall be encouraged to undertake entrepreneurial activities to meet their minimum basic needs. The law shall apply to all NGOs with the primary purpose of implementing a microenterprise development strategy and providing microfinance programs, products and services for the poor. These shall be referred to as “Microfinance NGOs”.

Under RA No.10693, a duly registered and accredited Microfinance NGO shall pay a two percent (2.00%) tax based on its gross receipts from microfinance operations in lieu of all national taxes. Provided, that preferential tax treatment shall be accorded only to NGOs whose primary purpose is microfinance and only on their microfinance operations catering to the poor and low-income



individuals in alignment with the main goal of this Act to alleviate poverty. The non-microfinance activities of Microfinance NGOs shall be subject to all applicable regular taxes.

In August 16, 2016, the Implementing Rules and Regulations (the IRR) of the Microfinance NGOs Act was signed. The IRR provides for a transitional accreditation that upon effectivity of the Act, Microfinance NGOs which are certified by the SEC to have no derogatory information shall be deemed accredited for one (1) year, unless earlier revoked by the Council for good cause after review. The Organization obtained its certification from the SEC on August 2, 2016.

Beginning September 2016, the Organization adopted the new law and paid income taxes based on 2.00% of all its gross receipts from microfinance operations. Total gross receipts from microfinance operations for 2024 and 2023 amounted to ₱8.6 billion and ₱6.8 billion, respectively, while the related income tax expense based on the 2% preferential rate for the period ended 2024 and 2023 amounted to ₱171.4 million and ₱136.4 million, respectively.

The provision for income tax consists of:

	2024	2023
Current income tax	₱174,245,509	₱140,005,377
Final tax	18,797,329	14,149,422
	₱193,042,838	₱154,154,799

The reconciliation between the statutory income tax and the effective income tax of the Organization follows:

	2024	2023
Statutory income tax	₱1,166,010,667	₱851,903,629
Income tax effects of:		
Income subject to preferential tax of 2%	(2,142,340,034)	(1,705,406,841)
Expenses from tax-exempt activities	1,404,842,873	1,193,565,682
Non-taxable income	(207,561,755)	(163,030,446)
Income subject to final tax	(27,908,913)	(22,877,225)
	₱193,042,838	₱154,154,799

24. Grants and Donations

Grants and donations consist of donations received from various donors in which the Organization may freely use the amount for its mandated activities. The Organization recognized the grants and donations in profit or loss on a systematic basis over the periods in which the entity recognizes expenses for the related costs for which the grants are intended to compensate.

The Organization realized the following grants/donations in 2024 and 2023:

	2024	2023
Zero Dropout Educational Program	₱736,968	₱1,190,083
Others	1,696,019	100,000
	₱2,432,987	₱1,290,083



Grants for the Zero Dropout Educational Program represent funds received from various donors for the educational loan fund component of such program. The educational loan fund serves as a revolving fund that grants loans to CARD MRI member and non-member borrowers for the purpose of enabling them to enroll their children in elementary school and for these children to complete their elementary education.

Others pertain to donations from staff, officers and other external organizations intended to provide financial assistance to the organization's clients in times of calamities and pandemic.

25. Other Income and Other Administrative Expenses

Other income consists of:

	2024	2023
Interest (Notes 6, 7, 10 and 27)	₱94,197,426	₱70,900,815
Recovery of written-off accounts	30,482,584	30,616,500
Dividend income (Notes 11 and 27)	17,438,227	20,608,085
Miscellaneous income	10,144,711	13,257,902
Rent (Notes 14, 26 and 27)	8,795,015	8,092,535
Others	5,426,809	14,409,371
	₱166,484,772	₱157,885,208

Miscellaneous income includes technical assistance fees from international partners, income from dollar conversion, ECPay transactions and other small value-income that are not recurring.

Others pertains to the gain on sale of property and equipment, cash overages and recoveries of receivables previously written-off.

Other administrative expenses consist of:

	2024	2023
Salaries, wages and employee benefits (Note 21)	₱227,725,344	₱189,145,036
Program monitoring and evaluation	32,613,018	7,412,900
Transportation and travel	17,874,302	12,786,355
Staff training and development	11,146,087	7,102,273
Management and other professional fees	8,968,365	6,450,065
Supplies and materials	6,400,911	12,443,452
Rental expenses	5,431,075	3,224,165
Seminars and meetings	3,442,621	3,916,891
Taxes and licenses	2,966,159	3,493,412
Depreciation and amortization (Notes 13, 14 and 15)	3,218,521	3,422,872
Representation	659,764	346,013
Miscellaneous	40,330,162	26,234,730
	₱360,776,329	₱275,978,164

Miscellaneous expense includes client training and development, communication and postage, insurance, repairs and maintenance, periodicals and magazines, advertising and publicity, information technology, utilities, and miscellaneous.



26. Lease Contracts

As a lessee

The Organization leases the premises occupied by its unit offices, as well as staff houses of its employees. The lease contracts are for periods ranging from three (3) months to sixty (60) months and are renewable upon mutual agreement between the Organization and the lessors. In 2024 and 2023, total 'Rental expense' under 'Project related expenses' amounted to ₱170.1 million and ₱161.4 million, respectively (Note 22).

The Organization recognized rent expense amounting to ₱175.5 million and ₱165.2 million in 2024 and 2023, respectively. Rent expense in 2024 and 2023 pertains to expenses from short-term leases and leases of low-value assets.

In 2024 and 2023, the Organization recognized interest income arising from amortization of security deposit amounted to ₱0.8 million and ₱0.5 million, respectively (Note 25).

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

The following are the amounts recognized in the Organization's statements of revenue over expenses:

	2024	2023
Depreciation expense of ROU assets included in property and equipment (Note 13)	₱83,271,368	₱71,320,427
Interest expense on lease liabilities	5,006,859	4,112,841
Lease payments relating to short-term leases and leases with low value assets (Note 22)	176,000,722	165,156,525
Total amount recognized in statement of income	₱263,774,359	₱240,589,793

As of December 31, 2024 and 2023, the carrying amount of 'lease liabilities' in the Organization is as follows:

	2024	2023
Balance at beginning of year	₱64,054,416	₱71,727,894
Additions	109,345,608	57,081,546
Interest expense	5,006,860	4,112,841
Payments	(84,262,557)	(68,867,865)
	₱94,144,327	₱64,054,416

Shown below is the maturity analysis of the undiscounted lease payments for 2024 and 2023:

	2024	2023
Within one year	₱70,311,412	₱53,184,319
Beyond one year	28,718,082	13,888,600
	₱99,029,494	₱67,072,919



As a lessor

The Organization's operating lease contracts generally have terms of one to five years. Operating lease income included as 'Rent' under 'Other income' in 2024 and 2023 amounted to ₱8.8 million and ₱8.1 million (Note 25).

The future aggregate minimum rentals receivable under operating lease of the Organization are as follow:

	2024	2023
Within one year	₱8,647,675	₱7,490,312
Beyond one year	24,269,558	20,145,763

27. 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. The Organization's related parties include:

- key management personnel, close family members of key management personnel and entities which are controlled, significantly influenced by or for which significant voting power is held by key management personnel or their close family members;
- post-employment benefit plans for the benefit of the Management's employees; and
- other related parties within the CARD MRI Group

The Organization has several business relationships with related parties. Transactions with such parties are made in the ordinary course of business and on substantially same terms, including interest and collateral, as those prevailing at the time for comparable transactions with other parties. These transactions also did not involve more than the normal risk of collectability or present other unfavorable conditions.

Remunerations of Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Organization, directly or indirectly. The Organization considers the members of the senior management to constitute key management personnel for purposes of PAS 24, *Related Party Disclosures*.

The compensation of key management personnel included under 'Project related expenses' and 'Other administrative expenses' in the statements of revenue over expenses are as follows:

	2024	2023
Short-term employee benefits	₱66,126,562	₱51,019,781
Post-employment benefits	104,580,697	81,601,938
	₱170,707,259	₱132,621,719

Other related party transactions

Transactions between the Organization and its key management personnel meet the definition of related party transactions. Transactions between the Organization and its associates and other related parties within the CARD MRI also qualify as related party transactions.



Cash and cash equivalents, accounts payable and accounts receivable

Cash and cash equivalents, accounts payable and accounts receivable held by the Organization for key management personnel, associates, and other related party as at December 31, 2024 and 2023 follow:

December 31, 2024			
Category	Amount/Volume	Outstanding Balance	Nature, Terms and Conditions
Subsidiaries:			
Due from Affiliates		P450	The amount represents the associates' share of expenses (Note 9).
Billings	P132,420		
Collections	(136,506)		
Associates:			
Cash and cash equivalents		951,042,520	These are savings, checking and time deposit accounts with annual interest rates ranging from 0.05% to 4.8%.
Deposits	7,346,062,981		
Withdrawals	(6,955,641,440)		
Short term investments		137,809,281	These are time deposits with annual interest rates ranging from 4.0% to 5.3%.
Placements	123,172,490		
Maturities	(50,523,250)		
Due to affiliates		1,782	The amount represents the share of expenses still payable to the associates (Note 19).
Billings	71,178,831		
Payments	(71,178,422)		
Due from affiliates		20,109	The amount represents the associates' share of expenses (Note 9).
Billings	24,550,145		
Collections	(24,594,619)		
Other related parties:			
Due to affiliates		483,650	The amount represents share of expenses still payable to the affiliates (Note 19).
Billings	543,872,846		
Payments	(544,010,878)		
Due from affiliates		66,556,671	The amount represents the affiliates' share of expenses still payable to the Organization (Note 9).
Billings	393,065,389		
Collections	(327,220,495)		
December 31, 2023			
Category	Amount/Volume	Outstanding Balance	Nature, Terms and Conditions
Subsidiaries:			
Due from affiliates		P4,536	The amount represents the associates' share of expenses (Note 9).
Billings	P32,086		
Collections	(27,550)		
Associates:			
Cash and cash equivalents		560,620,978	These are savings, checking and time deposit accounts with annual interest rates ranging from 0.05% to 5.2%.
Deposits	6,804,911,261		
Withdrawals	(6,708,675,964)		
Short term investments		65,160,041	These are time deposits with annual interest rates ranging from 1.5% to 5.2%
Placements	2,969,848		
Maturities	(52,787,371)		
Due to affiliates		1,373	The amount represents the share of expenses still payable to the associates (Note 19).
Billings	34,883,979		
Payments	(34,957,114)		
Due from affiliates		64,583	The amount represents the associates' share of expenses (Note 9).
Billings	13,481,849		
Collections	(13,417,266)		
Other related parties:			
Due to affiliates		621,682	The amount represents share of expenses still payable to the affiliates (Note 19).
Billings	502,224,113		
Payments	(503,997,371)		
Due from affiliates		711,777	The amount represents the affiliates' share of expenses still payable to the Organization (Note 9).
Billings	97,448,995		
Collections	(97,288,177)		



Others

Other related party transactions of the Organization are as follows:

	2024	2023	Nature, Terms and Conditions
Statement of Assets, Liabilities and Fund Balance			
Investment in Subsidiaries	₱61,686,784	₱53,297,471	This refers to investment in common shares of subsidiaries (Note 12).
Associates:			
Short-term investments	109,185,606	65,160,041	These are time deposits with maturities of more than three months but less than one year with annual interest ranging from 4.0% to 5.3%.
Financial assets at FVOCI	200,765,298	151,676,051	This pertains to investment in preferred shares of CARD Bank and CMRBI, and in common shares of BotiCARD Inc., Bakawan Data Analytics, Inc., CARD MRI Astro Laboratories, Inc., Unihealth, and AppendPay Corporation (Note 11).
Investment in associates	5,705,433,332	4,308,856,236	This refers to investment in common shares of associates (Note 12).
Dividends received	637,180,099	482,502,904	Share of dividend from investment in associates (Note 12).
Statement of Comprehensive Income			
Associates:			
Interest income	16,333,781	7,046,879	These are interest earned by savings, time deposit and short-term investment accounts of the Organization.
Dividend income	16,066,760	20,608,085	This pertains to dividends earned from common and preferred shares financial assets at FVOCI of the Organization
Rent income	7,165,386	7,050,487	These are income earned from premises rented out by the Parent Company to other CARD MRI
Information technology	155,387,662	107,702,019	This pertains to the CMIT's rendered services in relation to system maintenance agreement (Note 22).
Rental Expense	12,183,369	15,770,102	These are costs of rental of computers, office premises, and vehicles from other CARD MRI.
Other related parties:			
Rent income	1,629,629	1,042,049	These are income earned from premises rented out by the Parent Company to other CARD MRI institutions (Note 25).
Seminars and training	119,669,321	91,829,152	These are trainings and development costs for the members and employees conducted by CMDI. Related seminars and training expenses incurred are shown as part of 'Staff training and development' and 'Client training and development' in the statement of revenue over expenses.
Charitable contributions	58,820,964	115,282,280	These are grants and donations provided for by the Parent Company as assistance for the operations of other CARD MRI.
Rental Expense	1,615,795	707,985	These are costs of rental on office premises from other CARD MRI.

Other related party transactions include:

- The Organization entered into a usufruct agreement with CMDI. The grant of the usufruct was made by the Organization without consideration and for the purpose of assisting CMDI in its objective of pursuing the development of microfinance in the country. The usufruct shall be for a period of ten years from July 1, 2005 to June 30, 2015, unless sooner terminated as provided in the usufruct agreement. The agreement was extended for additional nine years which will end on April 30, 2024. The usufruct was terminated in 2023.
- The fund assets of the Organization are maintained by CARD MRI MERP and CARD Group Employees' Retirement Plan (Note 21).



28. Appropriation of Fund Balance

On June 20, 2009, the Organization's BOT approved the appropriation of ₱50.0 million for future acquisitions and/or improvements of investment properties. All subsequent receipts generated from these investment properties are also treated as additional appropriated fund in the succeeding years.

On December 31, 2024 and 2023, receipts of rental income amounting to ₱8.8 million and ₱8.1 million, respectively (Note 25), are appropriated, bringing the total appropriation to ₱145.7 million and ₱136.9 million as at December 31, 2024 and 2023, respectively.

29. Supplementary Information for Cash Flow Analysis

The following table shows the reconciliation analysis of liabilities arising from financing activities for the period ended December 31, 2024 and 2023:

	2024		
	Borrowings (Note 18)	Lease liabilities (Notes 26)	Total liabilities from financing activities
Balances as at January 1, 2024	₱1,249,403,000	₱64,054,416	₱1,313,457,416
Cash flows			
Proceeds	218,645,500	—	218,645,500
Settlements	(1,141,896,000)	(84,262,557)	(1,226,158,557)
Non-cash items			
Net foreign exchange gain on borrowings	848,000	—	848,000
New lease contracts entered during the year	—	109,345,609	109,345,608
Amortization on interest expenses of lease liabilities	—	5,006,859	5,006,859
Balances as at December 31, 2024	₱327,000,500	₱94,144,327	₱421,144,826
	2023		
	Borrowings (Note 18)	Lease liabilities (Notes 26)	Total liabilities from financing activities
Balances as at January 1, 2023	₱935,728,000	₱71,727,894	₱1,007,455,894
Cash flows			
Proceeds	1,051,000,000	—	1,051,000,000
Settlements	(737,208,000)	(68,867,865)	(806,075,865)
Non-cash items			
Net foreign exchange loss on borrowings	(117,000)	—	(117,000)
New lease contracts entered during the year	—	57,081,546	57,081,546
Amortization on interest expenses of lease liabilities	—	4,112,841	4,112,841
Balances as at December 31, 2023	₱1,249,403,000	₱64,054,416	₱1,313,457,416

The Organization's non-cash activity pertains to additions to ROU assets amounting to ₱115.5 million and ₱56.3 million in 2024 and 2023, respectively.



30. Approval for the Release of the Financial Statements

The accompanying financial statements of the Organization were reviewed and approved for release by the Organization's BOT on April 29, 2025.

31. Supplementary Information Required Under Revenue Regulations 15-2010

On November 25, 2010, the BIR issued RR No. 15-2010 to amend certain provisions of RR 21-2002 which provides that starting 2010, the notes to the financial statements shall include information on taxes and licenses paid or accrued during the year.

The components of 'Taxes and licenses' included in 'Project-related expense' and 'Other administrative expense' in the statement of revenue over expenses as follows:

Business permits and licenses	₱54,462,504
Documentary stamp tax	2,599,861
Real property tax	3,376,982
Community tax certificate	661,725
Others	6,064,967
	<u>₱67,166,039</u>

Other taxes represent finance lease liabilities taxes on loans and capital gains tax.

Withholding taxes in 2024 are categorized into:

	Paid	Accrued
Compensation and benefits	₱11,672,492	₱3,161,789
Final income taxes - interest on CBU	20,140,176	2,537,918
Expanded withholding tax - rent expense	11,566,221	1,107,103
Expanded withholding tax - others	9,573,371	1,285,757
Expanded withholding tax - professional fee	676,405	116,814
	<u>₱53,628,665</u>	<u>₱8,209,381</u>

Tax assessments and cases

As at December 31, 2024, the Organization has no outstanding tax assessment notice from the BIR or cases in court or bodies outside the BIR.

32. Supplementary Information Required Under Section 175 of the Manual of Regulations for Non-Bank Financial Institutions

Presented below is the supplementary information required by BSP under Section 175 of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS Accounting Standards.



A. Total volume/value of remittance transactions

Type of Transactions	No. of Transactions	Amount in USD	Amount in PHP
A. International inward (Payout) remittance transactions	—	\$—	₱—
B. International outward (Send Out) remittance transactions	—	—	—
C. Domestic inward (Payout) remittance transactions	31,138	—	542,457,387
D. Domestic outward (Send Out) remittance transactions	39,853	—	498,075,969
E. Foreign currencies bought	—	—	—
F. Foreign currencies sold	—	—	—
G. International inward (Payout) remittance facilitated through VC	—	—	—
H. International outward (Send Out) remittance facilitated through VC	—	—	—
I. Exchange of VC to Philippine peso/other currency	—	—	—
J. Exchange of Philippine peso/other currency to VC	—	—	—

B. Basic quantitative indicator of financial performance

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

	2024	2023
Return on average equity	28.21%	27.55%
Return on average assets	18.28%	16.34%

