

COMPETENCE
FAMILY SPIRIT
INTEGRITY
SIMPLICITY
HUMILITY
EXCELLENCE
STEWARDSHIP

1 NO POVERTY

2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

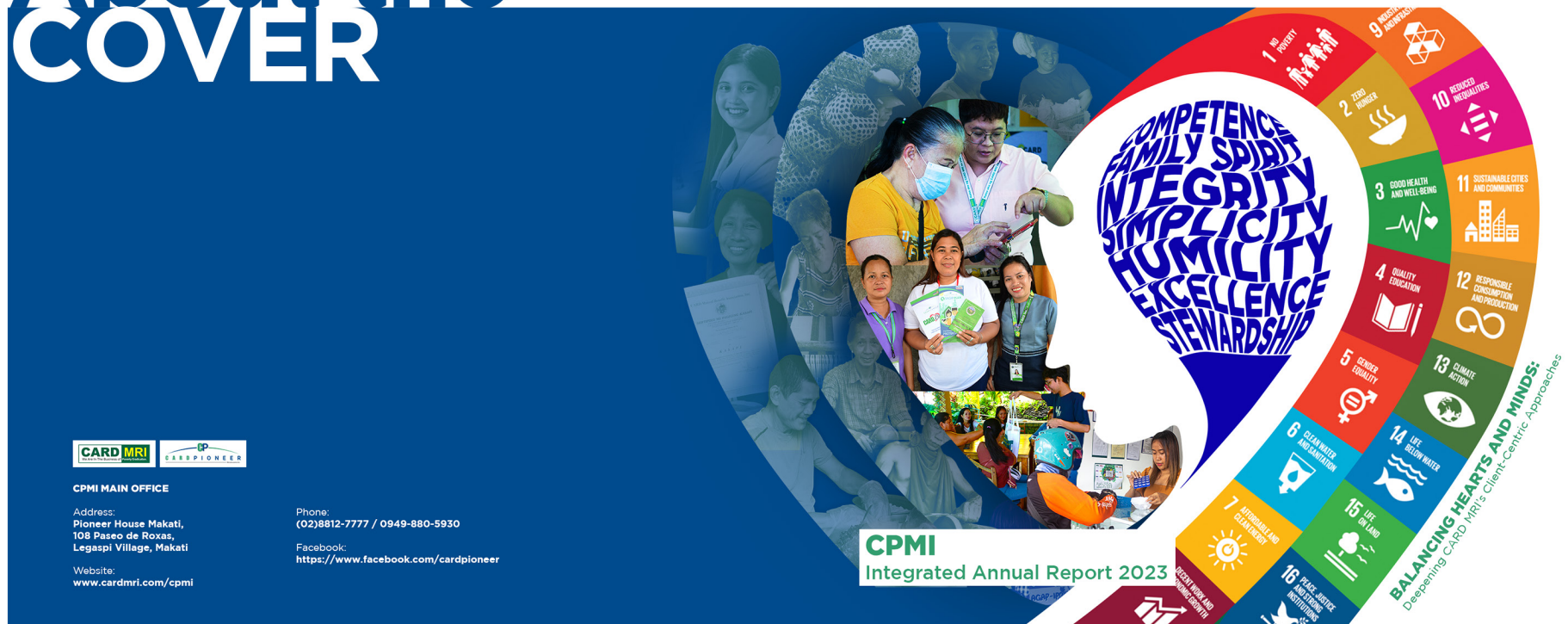
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

BALANCING HEARTS AND MINDS:
Deepening CARD MRI's Client-Centric Approaches

CPMI

Integrated Annual Report 2023

About the COVER



In its 37 years of existence, CARD MRI's commitment to empowering the socio-economically challenged and marginalized sectors in the Philippines never faltered.

Our theme, "Balancing Hearts and Minds: Deepening CARD MRI's Client-Centric Approaches", reflects our service-focused strategies to foster sustainability in everything we do, from our products and services to our programs and initiatives. This commitment ensures that CARD MRI provides lifelong assistance to every individual so that they can take hold of their own destinies.

In every decision we make, we always consider this crucial aspect: the harmony of our emotions and intellect. It guides us in creating rightful decisions not only for the organization but also for the welfare of the communities we serve.

In the shape of heart, we prioritize enhancing the client's service experience through our offerings derived from the voices and the meaningful connections we created with our community. In the image of mind, we are guided by our core values in making conscious decisions that promote a culture of client empowerment.

The image represented by the shape of a woman with a heart and brain pictures the relationship between empathy and strategic thinking. CARD MRI positions its efforts with sustainable development goals.

CARD MRI will continue to listen and understand the voices of its community and deliver tailor-fit programs that will open boundless possibilities.

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THE CARD MRI ORGANIGRAM



CARD Insurance Group



Before the creation of CPMI, CARD MRI was a client of Pioneer Life Inc.'s microinsurance line. However, this initial relationship soon blossomed into a partnership between these two pioneering companies in their respective fields.

In 2013, CARD and Pioneer joined forces to provide microinsurance to socially and economically challenged families through CARD Pioneer Microinsurance, Inc. (CPMI). This collaboration made history by paving the way for the establishment of the very first microinsurance company in the Philippines. It also enabled the company to venture into the non-life aspect of microinsurance.

Since then, CPMI has been committed to bringing microinsurance into the homes of families with limited access to such services, ensuring they receive benefits whenever disasters and uncertainties strike.

Today, CPMI consistently extends its support to Filipino families nationwide, filling market gaps through fearless and creative approaches to distributing microinsurance products, thereby giving additional protection to more Filipinos.

VISION



CARD MRI is a world-class leader in microfinance and community-based social development undertakings that improves the quality of life of socially and economically challenged women and families towards nation building.

MISSION



CARD MRI is committed to:

- Empower socially and economically challenged women and families through continuous access to financial, microinsurance, educational, livelihood, health and other capacity-building services that eventually transform them into responsible citizens for their community and the environment;
- Enable the women members to gain control and ownership of financial and social development institutions; and
- Partner with appropriate agencies, private institutions, and people and community organizations to facilitate achievement of mutual goals.

COMPETENCE

Believing that excellent products and services for its clients come out of competence, CPMI keeps raising the work knowledge, skills, and values of its staff through continuing formal and informal training and education. CPMI has truly become a learning organization that instills the values of integrity, honesty, transparency, discipline, hard work, and excellence in an atmosphere of mutual respect.

FAMILY SPIRIT

CPMI builds and nurtures family spirit for a lasting relationship with its employees and clients. More than showing care and endearment and sharing learning experiences, the staff of CPMI commits personally to the social and economic development of its clients and their families even if it entails making sacrifices, such as dedicating their time and being apart from their own families.

INTEGRITY

The strength and sustainability of our business in eradicating poverty rest on honest, trustworthy, ethical, and sincere operations and all of its undertakings. Hence, CPMI leaders continuously motivate their staff to be honest and fair in all their dealings by showing themselves as models of honesty and worthy of trust.

At CPMI, everyone is responsible and accountable for the performance of its institutions, officers, and individual staff.

SIMPLICITY

CPMI has chosen to serve the marginalized sector of society, which is characterized by deprivations in nearly all social and economic factors including food, shelter, clothing, jobs, and education. Excesses in words and deeds insult and isolate our clients. Hence, CPMI staff is expected to show simplicity to everyone, anytime and anywhere.

Through simplicity, it enables CPMI staff to deeply and clearly understand our goals and strategies for empowering people.

OUR CORE VALUES

In fulfilling our mission of eradicating poverty in the Philippines, CPMI shall be guided by the highest standards of ethical behavior and the core values of competence, family spirit, integrity, simplicity, humility, excellence, and stewardship.

HUMILITY

An act of true humility is when a CPMI staff considers everyone as co-equal and ignores social and economic status in favor of the noble mission of improving the lives of those who have less in life. Humility is being one with clients in spirit and aware of their needs.

CPMI staff are also encouraged to celebrate the accomplishments and successes of the organization at heart and not boast them publicly.

EXCELLENCE

The success of CPMI is rooted in the ability of its leaders and staff to continuously create, innovate, and challenge the existing paradigm to ultimately assist the socially and economically challenged families improve their lives. Its continuing effort to be better than its best is captured in its motto "Up to the next level."

STEWARDSHIP

One important way to achieve sustainability is effective management and judicious use of resources. Resources fuel the organization and hence must be handled with utmost care. Moreover, most of these resources are entrusted to us by clients, staff and other stakeholders. CPMI should continue to uphold the highest standards of stewardship of financial, human, and institutional resources.

BUSINESS MODEL & VALUE CREATION

OUR CAPITALS

Our capital allows us to widen our operations while strengthening our ability to serve our clients, employees, government, and regulators, and the general public to contribute to sustainable development.

FINANCIAL

Our financial resources are used to fill the institution's operational activities related to providing microinsurance access to most Filipinos and other products that give our clients a substantial amount of coverage for life and property insurance at prices they can afford.

- **PHP 3,702,801,859.00** in total assets
- **PHP 2,478,535,200.00** in total capital

MANUFACTURED & INTELLECTUAL

As the microinsurance company of CARD MRI, our infrastructures are situated in non-disaster and non-hazardous areas for the protection of employees and clients nationwide.

- **1** Head Office
- **88** Provincial Offices

HUMAN

Our highly competent, skilled, and dedicated personnel with unparalleled commitment and passion are exposed to training and workshops, related to Leadership, Presentation Skills, Product and Claims Knowledge, Salesmanship, and other relevant and timely topics that can help MICs/MIS boost their confidence in promoting & selling CPMI products.

- **297** employees (81% women, 19% men, .01% Gen X, 63% Gen Y, 37% Gen Z)
- **PHP 483,996.00** was spent on local and international training for employees.

SOCIAL & RELATIONSHIP

Our clients and partners trust us as an advocate of social development and nation-building.

- **10** years of providing value-added microinsurance products and services to clients and non-clients.
- **17,494,229** accounts served.
- **18** CARD partners
- **35** non-CARD partners

NATURAL

In 2023, we allocated **PHP 4,665,955.00** for communication, light, and water utilities to support a safe and efficient work environment. We also continue to offer products and services that help reduce gas emissions, lessening our environmental impact while advancing CPMI's mission.

THE VALUE WE CREATE



F MI H SR N

EMPLOYEES **MI H SR**

We empower our employees by providing a positive and thriving workplace that fosters creativity, learning, and development.

PHP 94,194,060.00 total payments to employees, including benefits, salary, and allowances

INVESTORS **F**

As the institution continues to strive to build a progressive community, the grants and donations from our loyal and generous investors, and donors we have received where all being used to meet the wide range of provision of microinsurance products and services and other initiative programs. We also ensure that they receive the right amount of dividends and interest paid.

PHP 132,781,250.00 Total dividend and interest paid

GOVERNMENT AND REGULATORS **F SR**

To keep the institution's credibility and efficiency, we build linkages and partnerships with all government agencies, and other related-regulating bodies, agencies, private institutions, and people and community organizations to facilitate the achievement of mutual goals.

PHP 7,545,322.00 Total paid for government remittances

PHP 132,737,095.00 Total amount of paid taxes

CLIENTS AND COMMUNITIES **F MI SR N**

We serve our clients and communities to live better lives and bigger dreams through inclusive insurance, and financial inclusion.

2,763,603 Number of clients served through microinsurance

PHP 1,945,941,612.85 Total amount of premium

PHP 533,176,897.89 Total amount of claims disbursed (life and non-life)

HOW WE CREATE VALUE

In terms of Business Operations, CPMI is committed to providing consistently positive customer experience by continuously innovating and offering need-based and relevant products to help underserved Filipinos recover from life's unexpected challenges.



BUSINESS OPERATION



STRATEGIES

CLIENT-CENTRIC INITIATIVES

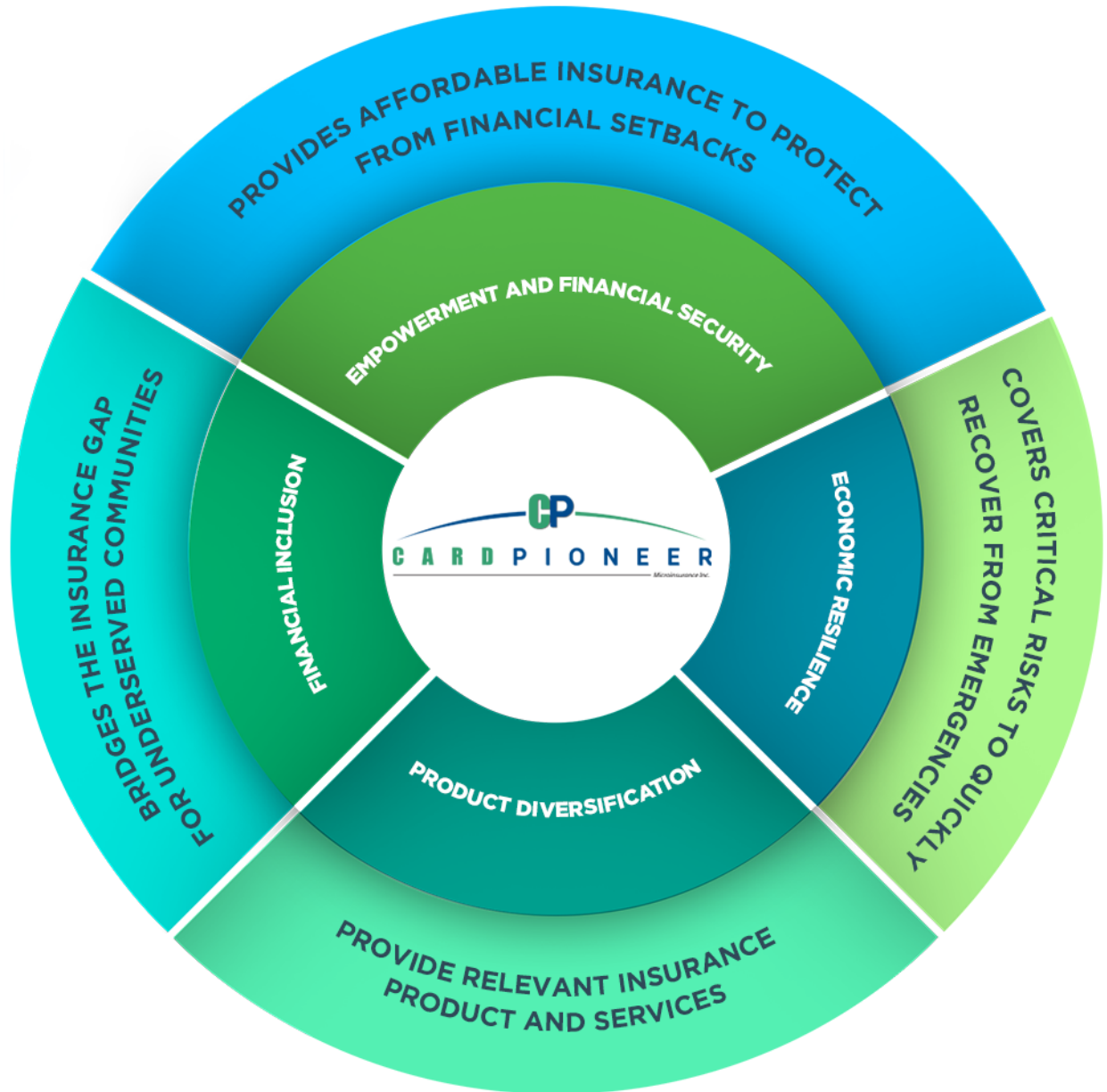
SUSTAINABILITY STRATEGY

RESPONSIBLE PROVISION OF MICROINSURANCE

In connection to SDGs, we practice considering the social and environmental impact of our financing decisions to promote the ethical and sustainable provision of microinsurance to global challenges such as climate change and insurance inequity.

RESPONSIBLE OPERATIONS

To meet the goals of the day-to-day operation, we focus on maintaining the institution's efficiency by conducting monthly training such as lectures, case studies, gamified training/workshops, role play, demonstrations, and other capacity-building programs to bring microinsurance in the homes of families who have very limited access to microinsurance. We want to ensure that they, too, get access to benefits whenever disasters come.



A portrait of Dr. Jaime Aristotle B. Alip, an older man with grey hair and glasses, wearing a dark suit, white shirt, and a red and blue striped tie. He is standing with his arms crossed against a grey background.

Message from the

CARD MRI FOUNDER & CHAIRMAN EMERITUS

Harmonizing Heart and Minds in Shaping a Brighter Tomorrow

In the middle of the seemingly endless journey through the pandemic, the year 2023 signals the rebirth of new possibilities and opportunities for both CARD MRI and the communities we serve.

As we emerge from the darkness of the pandemic's grip and navigate uncharted territories, we are reminded of the resilience that binds us together. Despite the challenges of communication barriers with our clients and members across the Philippines, we have remained steadfast in our commitment to advocating connections and sharing stories of hope and inspiration.

Our digital channels have been vital lifelines that bridge the gap and keep our relationships with over 9 million clients and members nationwide vibrant and alive. Our efforts symbolize our unwavering dedication to never leaving anyone behind in adversity.

As we bid farewell to this unimaginable chapter of distress caused by the pandemic, we are embracing the return to physical interactions with our clients and communities. Beyond mere words, it is the genuine care and compassion that define our organization's spirit and principles that compel us to reach out and connect on a deeper level with them.

Through the revival of traditional practices like weekly center meetings and in-person visits and transactions, we are gaining invaluable insights into the needs and aspirations of those we serve. In 2023, we reinforce our back-to-basics strategy as we recognize the power of simplicity and human connection in crafting programs and strategies that can create impactful stories of success.

While modern technology plays a crucial role, we understand the importance of striking a balance between the digital realm and physical engagement. This harmonious

balance of heart and mind enables us to design programs and services tailored to fit the needs of our community.

Our programs are driven by the collective voices and experiences of our employees and clients. Each story shared fuels our commitment to delivering tailored solutions that make a positive ripple effect in the lives of the people.

Moreover, we have begun to provide more extensive support to the Muslim communities in our country. We are intensifying our efforts to ensure they have access to equal opportunities. Currently, we are exploring the possibility of offering a Shari'ah-compliant microinsurance product to provide additional security for our Muslim brothers and sisters, helping them become resilient in times of uncertainty.

We not only strive to fortify CARD MRI but also extend our support to the entire microfinance and microinsurance industries, promoting sustainability in helping other people. They stand as our allies in realizing our journey to eradicating poverty. We must amplify our advocacy for nation-building, for policymakers to also bolster our programs and initiatives for the Filipinos.

Our journey does not end here. We are poised to continue flourishing in the remotest corners of our nation. By lending a helping hand to fellow microfinance institutions and like-minded organizations, we accelerate our journey toward ensuring a decent life for every Filipino family.

As we look ahead to the future, we remain steadfast in our commitment to stand alongside Filipino families, empowering them to shape a brighter tomorrow. Together, we will continue to make progress, guided by the wisdom of both heart and mind, towards a more inclusive and progressive society.

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

Message from the

CARD MRI MANAGING DIRECTOR

Sustainable Future for Filipino Families

For 37 years, CARD MRI has dedicated its operations to improving the lives of Filipino families, particularly those who are socially and economically challenged. Throughout this time, we have learned key lessons on the importance of sustainability in all our efforts. We have realized that it is not enough to provide short-term support; rather, we must ensure that our programs and initiatives are sustainable and capable enough of delivering lifelong benefits to the people we serve.

To carry out sustainability in all of our programs, every aspect of our organization is carefully reviewed and analyzed. From the development of products and services to the implementation of initiatives and programs, we find solutions that provide constant success. This holistic approach ensures that our efforts continue to create positive ripple effects in our community, even as circumstances evolve.

As we have grown and expanded our reach, we have encountered various needs and challenges within the communities we serve. This dynamic environment has pushed us to adapt and innovate continuously. By embracing change, we have been able to develop more effective strategies and initiatives that meet the evolving needs of our staff, clients, and their families.

Moreover, our commitment to sustainability extends beyond the financial outlook. We recognize the interconnectedness of social, environmental, and economic factors and strive to address them comprehensively. This includes promoting financial inclusion, empowering marginalized groups, and advocating environmental stewardship through our operations and initiatives.

In 2023, we started a new chapter in our sustainability journey by documenting all of our efforts. As we begin our sustainability reporting, it also provides more transparency

and accountability in what we do as an organization. This allows our stakeholders to understand the scope and impact of our activities. This also enables us to take a look at our progress and identify rooms for improvement that help us enhance the effectiveness and efficiency of our processes.

Through this integrated annual reporting, we aim to showcase not only our financial accomplishments but also our commitment to supporting sustainable development goals. This report not only shows the tangible outcomes of our efforts but also the principles and values that guide our actions. By sharing our experiences and insights, we hope to inspire others to join us in our commitment to sustainable development.

Our sustainability strategy is driven by our recognition of the interconnectedness of global challenges and the need for collective action. By aligning our efforts with international initiatives, such as the United Nations Sustainable Development Goals (SDGs), we contribute to a broader movement for positive change.

At the same time, we remain aware of the challenges within the Philippines, which require well-fitted approaches and solutions. By collaborating with individuals, partners, institutions, and other organizations that share the same mission with us, we strengthen collective expertise and resources to maximize our impact.

In conclusion, sustainability is at the heart of everything we do at CARD MRI. It guides our decision-making processes, shapes our motivation, and drives our commitment to creating positive change. As we continue our journey, we remain steadfast in our dedication to empowering individuals, strengthening communities, and building a more sustainable future for all.

Aristeo A. Dequito
CARD MRI Managing Director

CHAIRPERSON

A Decade of Determination

Since its establishment in 2013, CARD Pioneer Microinsurance Inc. (CPMI) has remained steadfast in its mission to support CARD MRI's vision of poverty eradication. From the beginning, we positioned ourselves to meet the needs of CARD MRI clients and the broader underserved market by providing non-life insurance solutions for calamities, agriculture, income loss, and other non life insurance needs.

This decade-long partnership between CARD MRI and Pioneer Insurance is built on a shared commitment to financial inclusion. For CARD MRI, this means delivering integrated microfinance and social development services to uplift underserved Filipino families. Meanwhile, Pioneer strives to be the country's top insurer by catering to diverse income sectors. With these aligned goals, CPMI was formed to provide affordable and accessible insurance solutions designed specifically for the micro market and low-income communities.

As we celebrate 2023, we take great pride in the continued growth of CPMI. Our expansion is evident—we are opening new offices, strengthening our workforce, and broadening our reach. With this growth, we must ensure that our sales efforts align with our increasing operations while remaining mindful of resource management. Despite these challenges, our financial performance has steadily improved over the past five years, a testament to our strategic planning and sound financial management.

Through the years, we have learned that success is not just measured by numbers but by the impact we create in the lives of our clients. Beyond meeting

financial targets, we focus on designing insurance products that directly address the needs of CARD MRI's clients and communities. We ensure that our offerings remain relevant, keeping in mind the evolving needs of the people we serve. The process of availing our products must be simple and convenient, while our pricing remains affordable to ensure accessibility. At the same time, we continue expanding our presence so that more Filipino families can benefit from our services. We also engage with clients through various incentives and rewards, strengthening relationships and fostering trust. Above all, we recognize that our people—our team—must always uphold our shared mission and values to effectively serve our clients.

Balancing our client focus with financial sustainability requires a strategic mindset. At CPMI, we remain committed to making insurance accessible to more Filipino families while ensuring long-term financial stability. This means maintaining consistent sales and closely monitoring expenses—two essential factors for continued success.

As we step into another year of this meaningful partnership between CARD MRI and Pioneer, we remain focused on our goals while staying deeply connected to the people we serve. With unwavering determination, CPMI will continue expanding its reach, providing more underserved Filipino families with affordable and reliable safety nets—all in support of CARD MRI's vision of a poverty-free Philippines.




Jocelyn D. Dequito
Chairperson, CPMI

Message from the

OIC FOR MICROINSURANCE

Listening with our Hearts and Minds

CARD Pioneer Microinsurance Inc. (CPMI) celebrated its 10th anniversary this year. Throughout this decade-long partnership between CARD MRI and Pioneer Insurance, we at CPMI have consistently provided affordable microinsurance products to socially and economically challenged families and communities across the Philippines. Through consistent dialogue with our clients, we are able to develop and adapt our non-life insurance products that best fit their needs and offer the best value. This is how we contribute to CARD MRI's collective goal of uplifting lives and eradicating poverty in the country.

This year, CPMI achieved several milestones that reaffirm our commitment and further inspire us to enhance our products and services. In terms of policies sold, we successfully met most of our targets across various microinsurance products. For instance, our Sagip Plan—which provides personal accident, burial benefits, and calamity aid—insured 368,335 policyholders this year. Meanwhile, CARD Care Plus insured 999,300 individuals as of December. Our Binhi crop insurance, which provides cash assistance to CARD agri-loan borrowers for crop damage due to calamities, recorded 6,202 insured individuals.

Financially, CPMI recorded a total of 1,210,556,332 in gross premiums written and 1,035,568,489 in net premiums written as of December 2023. Additionally, Premiums Earned (PE) totaled 909,046,815.

This year, we also focused on enhancing our promotions and incentives. A major achievement was the resumption of our travel incentive for Microinsurance Supervisors (MIS) and Microinsurance Coordinators (MIC). Qualified MISs and MICs who met their targets were rewarded with a trip to Palawan.

This incentive, which had been paused during the pandemic, was successfully reinstated in 2022 and continued this year. Additionally, we launched and continued various incentives to encourage policy enrollment, including “Sagip Push All, Win All” for MISs, MICs, and the CARD Operations Team, “Protektado at Umasenso for ProteKITA” for insured CARD clients, and “Unit na Complete, Hit na Hit” to encourage MIC recruitment. Beyond incentives, CPMI strengthened its workforce through capacity-building programs such as “Mastery Training” and “Mentors of the Month” to further equip our MISs and MICs.

A significant milestone this year was the nationwide rollout of ProteKITA, a microinsurance product that provides cash assistance to businesses affected by calamities, along with personal accident coverage for policyholders. While penetrating the MSME market has been challenging, we have insured 2,249 policyholders since December. We also pilot-tested the Ipon Protek Savers Program in select provincial offices in Laguna (Laguna 3, Laguna 2) and Quezon (Quezon 3). Another pilot initiative was our high-value crop (HVC) agri-insurance product, developed in partnership with the Philippine Crop Insurance Corporation (PCIC). Currently being tested in Batangas and Nueva Ecija, this marks CPMI's first-ever public-private partnership, a significant step for our institution. In the last quarter of 2023, CPMI also introduced combo forms, integrating the registration forms for Sagip, CARD Care, and Kabuklod into a single document to streamline processes and improve client accessibility.

A major accomplishment this year was the standardization of claims requirements across all

Melinda Grace M. Labao
OIC for Microinsurance
CPMI



provincial offices. This was in response to feedback regarding inconsistencies in claims handling across different locations. With over 90 provincial offices and nearly 300 claims processors nationwide, variations in claims processing had emerged. To address this, CPMI established a uniform approach to ensure efficiency and fairness in claims processing.

CPMI's success is built on continuous learning from our clients and communities. This is why we remain committed to a client-centric approach, ensuring that our services evolve to meet their needs. For instance, our claims handling and processing systems are constantly being refined based on client feedback. The standardization of claims requirements and the introduction of the combo form were direct responses to concerns raised by clients and MICs. Recognizing the importance of regular feedback, CPMI has also initiated end-client and partner satisfaction surveys for CARD Operations staff, MISs, and MICs. These surveys serve as a self-check mechanism, helping us determine whether the figures we report align with real-world client experiences. They also allow us to identify areas for improvement. Feedback is not limited to customers alone—we also actively listen to CaMIA and CARD's operations staff. To expand data collection, we have introduced pen-and-paper surveys to encourage broader participation.

Looking ahead, CPMI aims to increase client penetration. CARD MRI continues to grow, and we are committed to keeping pace. In 2023, we issued three million policies, covering 30% of CARD MRI's clients. Our goal is to significantly increase this number by ensuring that our products remain

relevant and accessible. To achieve this, we have lined up several new incentives and promotions, including "Flights! Camera! Action! Benta Now, Fly Later!" a trip incentive, and "Magpa-Seguro, Manalo para sa Negosyo," a raffle promo for clients and operations staff. We are also set to enhance existing products and services, such as CARD Care Plus Platinum, an extended coverage plan for CARD Care Plus, launching in Q3 2024, and "Sa Alagang Lola, Apo ay Segurado," a new product allowing grandparents to purchase CPMI insurance for their grandchildren. To support our MISs and MICs, we will also introduce recruitment and travel allowance promos, a profiling system, and additional training opportunities.

Next year, we aim to develop a seamless end-client and partner satisfaction survey system to further improve our checks and balances. These surveys will focus on post-sales experiences and product feedback, ensuring that our services remain aligned with client needs. Additionally, we are committed to deepening our partnership with Pioneer to strengthen our shared mission of poverty eradication.

With a decade of experience behind us and the unwavering support of CARD MRI, CPMI is ready to enter its next chapter—one that continues to provide safety nets for millions of underserved families and communities across the country. We will continue to evolve and adapt to the changing needs of CARD MRI's clients, all in pursuit of our shared vision: a poverty-free Philippines.



BOARD OF DIRECTORS



Mr. Vitaliano N. Nañagas II
Independent Director



Mr. Lorenzo O. Chan Jr.
Director



Ms. Jocelyn D. Dequito
Chairperson



Mr. Vener S. Abellera
Director



Ms. Maria Olivia C. Valera
Director



Atty. Jomer H. Aquino
Independent Director

MANAGEMENT COMMITTEE

Ms. Melinda Grace Labao
Officer-in-Charge

Ms. Ma. Cristina De Guzman
Accounting Head

Ms. Anna Danife Chan-Manese
Microinsurance Admin Head

Mr. Romeo Casta
Microinsurance Claims Head

Ms. Rosita Abanto
Microinsurance Sales Head

Ms. Sherrie Mae Arellano
Microinsurance Training Head

Mr. Cedric Josue
Accounting-Financial Reports





AT A GLANCE

SAGIP PLAN

1,076,186

Number of Insured Individuals

203,473,480

Total Claims Disbursed

KABUKLOD PLAN

927,955

Number of Insured Individuals

196,023,825

Total Claims Disbursed

CARD CARE PLUS

1,263,463

Number of Insured Individuals

109,888,700

Total Claims Disbursed



89

Offices



297

Staff

BINHI



Number of
Insured Individuals

6,769

Total Claims Disbursed

18,263,500

23,025

Number of
Insured Individuals



MEDICASH

NEGOSURE



Number of
Insured Individuals

33

Total Claims Disbursed

50,000

21,733

Number of
Insured Individuals

4,996,252.89

Total Claims Disbursed



ER CARE

IPONPROTEK



Number of
Insured Individuals

101

4,654
260,250

Number of
Insured Individuals

Total Claims Disbursed



PROTEKITA (BI)

TRADITIONAL



Number of
Insured Individuals

42,159

10,804
220,890

Number of
Insured Individuals

Total Claims Disbursed



KONEK2PROTEK

**E**

Economic

CPMI contributes to economic growth by providing accessible microinsurance that helps individuals and small businesses recover from unexpected events. It creates employment, supports community-based agents with additional income opportunities, and promotes local enterprises by sourcing products from partner communities. With a strong presence nationwide and ongoing digital improvements, CPMI helps build financial resilience and stability across underserved areas.

**E**

Environmental

CPMI is committed to becoming environmental stewards while empowering individuals and communities. The organization takes initiatives that focus on mitigating environmental risk and promoting sustainability practices within our community of staff. From energy efficiency to waste management, water conservation, and biodiversity preservation, CPMI prioritizes reducing its environmental footprint and addressing climate change.

**S**

Social

Our community is the heart and soul of everything we do. Beyond providing financial services, we are deeply committed to creating a positive impact in the communities we serve. Through initiatives such as community engagement, social equity, and upholding ethical standards, CPMI strives to be a responsible organization dedicated to uplifting society.

**G**

Governance

Ethical leadership is fundamental to our organization's values. The organization adheres to the highest standards of integrity, accountability, and transparency in our governance practices. As CPMI promotes ethical conduct and sound decision-making, we nurture investor confidence, mitigate risks, and ensure the long-term sustainability of the organization's operations for the benefit of all stakeholders.

ECONOMIC

Microinsurance Access and Financial Protection

CPMI offers access to affordable microinsurance products catering to the various needs of the lower-income class communities in the country. These products range from personal insurance packages to calamity, crop, and small business insurance coverages. This year, a total of 2,763,603 clients were insured through CPMI's microinsurance products. This has resulted in total premiums of the amounting to PhP1,945,941,612.85. Meanwhile, CPMI was able to disburse claims amounting to PhP533,176,897.89 throughout 2023.

PHP 870,704,078.12

Sagip Plan Disbursed

PHP 463,977,500.00

Kabuklod Plan

PHP 516,914,847.39

CARD Care Plus



Employment and Income Generation

Since its inception, CPMI has provided employment opportunities to individuals who are pursuing a career in the insurance industry and have a passion for serving the underserved. As of 2023, CPMI currently employs 297 staff who are justly compensated, and provided with benefits and opportunities to grow holistically during their stay at the institution. CPMI also promotes financial stability by offering earning opportunities to its Nanay agents, enabling them to provide additional income to the family. CPMI also offers insurance products supporting small business owners. The products provide a safety net and encourage business continuity in case of unexpected disruptions, which in turn generates earning and employment opportunities.

Geographical Positioning and Management (Offices)

CPMI operates in 88 provincial offices (PO) across the country. Each PO is strategically located with other CARD MRI institution offices to provide greater coverage and access to clients.

ENVIRONMENTAL

Environmental Policies

CPMI complies with all environmental standards followed by CARD MRI and Pioneer in order to mitigate its environmental impact. CPMI POs also follows all local environmental ordinances imposed by the local government unit where they are located. Our Head Office, being anchored in Pioneer's headquarters, is also aligned with the environmental standards and benefits from the green initiatives integrated into the building.

Responsible Consumption and Waste Management

CPMI employs various initiatives to make sure that it lessens its overall impact on the environment. As part of the Pioneer group of companies, CPMI closely follows its Solid Waste Management policies which has been cited collectively and awarded Certificates of Recognition by the Ayala Foundation, Department of Environment and Natural Resources, and the Makati Commercial Estate Association (MACEA). The Head Office follows a hybrid work setup that aims to reduce the energy consumption and carbon footprint generated. As part of Pioneer, CPMI is also an advocate for paperless transactions and thus has pursued initiatives that aim to lessen its paper consumption. The use of combo forms and digitization efforts, for instance, has had a substantial impact on this.

Green Future Initiatives

In the subsequent years, CPMI aims to pursue more initiatives that will have a positive impact on the environment. These would include community clean-up events, tree planting drives, recycling workshops, and sustainability seminars for its clients and stakeholders. CPMI also plans to promote sustainable livelihood initiatives, like eco-friendly product training and support for green businesses.



SOCIAL



Poverty Eradication through Microinsurance Protection

CPMI is one with CARD MRI's collective push towards eradicating poverty in the Philippines.

The institution provides microinsurance products that offer financial protection to low-income individuals and families, helping them manage risks and avoid falling deeper into poverty due to unforeseen setbacks. In addition, its 1-3-5 and later 8/24 claims processing standard ensures that the product responds to the client's needs as soon as possible to enable them to restart their lives immediately. Of course, CPMI ensures that these financial services are accessible to underserved and marginalized communities. By offering inclusive insurance products, CPMI helps bridge the financial and protection gaps and promotes equitable economic opportunities, thereby reducing community disparities.

Cultural Exposure through Travel Opportunities

CPMI offers various travel incentives for its microinsurance coordinators (MICs) and microinsurance supervisors (MISs) which grants them the opportunity to be exposed to new locales and cultures outside of their hometowns.

Capacity-Building and Career Growth

CPMI is aligned with CARD MRI's commitment to provide continuous capacity-building and training for all those involved in its mission of poverty eradication. This year, CPMI provided nine (9) staff and ten (10) officers with over 100 hours of training and capacity-building opportunities valued at PhP483,996.00.

CPMI also provided its MICs and MISs with monthly capacity-building opportunities consisting of lectures, case studies, gamified workshops, roleplay sessions, and demonstrations pertinent to their responsibilities.

Gender and Generational Representation

CPMI strives to do its part in providing equal opportunities and representation in the microinsurance industry. Its Employee Gender Ratio provides favorable female representation with 81% of the workforce composed of women including the top position of Office-in-Charge (OIC). In terms of generational ratio, 63% of the employees are from the Millennial generation, while 37% are from Generation Z.



GOVERNANCE

Management and Directorship

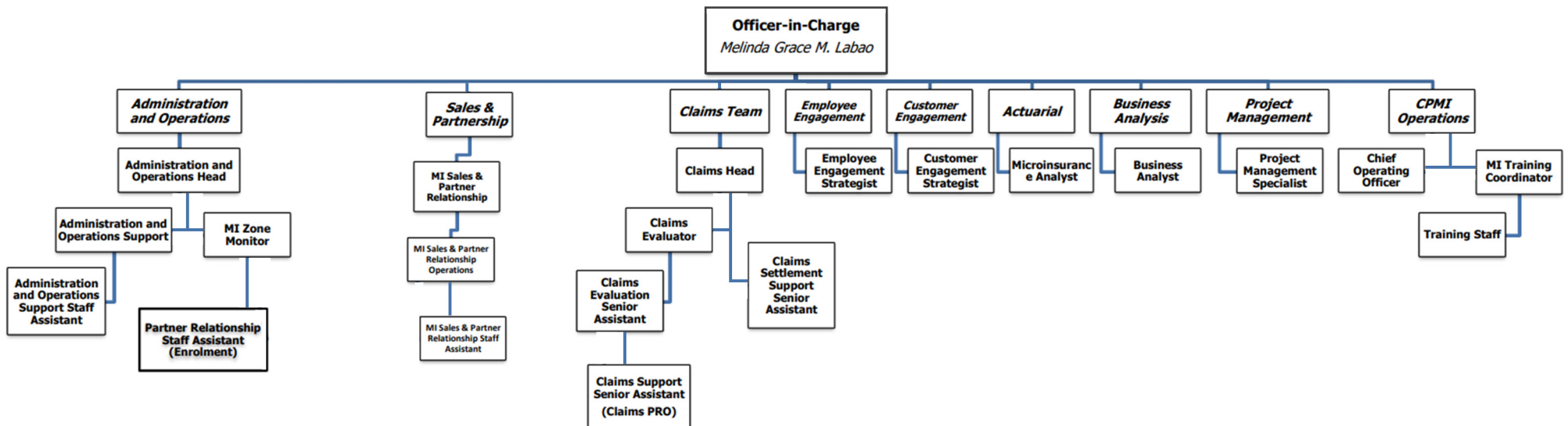
As a joint partnership between CARD MRI and Pioneer Insurance, CPMI's management and board of directors make great strides to internalize and practice the core values of both CARD MRI's core values of Competence, Family Spirit, Integrity, Simplicity, Humility, Excellence, and Stewardship (CFISHES), and Pioneer's Integrity, Excellence, and Malasakit in their strategies and decision-making. The management committee is composed of insurance industry professionals who have fostered careers with CARD MRI and Pioneer and are constantly being elevated through capacity-building opportunities provided by CARD MRI. On the other hand, the Board of Directors of CPMI is composed of the top leaders and experienced professionals from the insurance industry.

Client Assistance and Feedback Mechanism

CPMI keeps an open line between itself and its clients. Through various communication channels, such as its social media page, email, and through the CARD MBAA Appsheet, CPMI was able to assist and address 483 client inquiries throughout 2023.

CPMI also puts a premium on client feedback. Insights received from customers have a significant factor in the institution's planning and decision-making. The institution regularly conducts end client surveys and partner satisfaction surveys to identify any areas needing improvement in terms of its products and services. CPMI also aims to be more forward-looking, by specifically asking survey respondents any future needs and expectations they have from the institution.

MICROINSURANCE DEPARTMENT



CORPORATE GOVERNANCE

CPMI's corporate governance practice adheres to seven core values: competence, family spirit, integrity, simplicity, humility, excellence, and stewardship. The company's exemplary corporate governance is anchored to its strong corporate culture and values. It is guided by a clearly defined governance framework promoting transparency, fairness, and accountability.

The company's advocates financial inclusivity among its clients and policy holders. It assures that all Board of Directors, officers, and staff are aligned to the interest of its shareholders. The company believes that corporate governance is a necessary component of what constitutes sound strategic business management and undertakes every effort necessary to create awareness within the organization. It works closely with the regulators to ensure that the internal governance standards are being met by the company.

BOARD OF DIRECTORS AND MANAGEMENT

The Board of Directors and Management of CARD PIONEER MICROINSURANCE INC. (the "Company") recognize that good corporate governance is key to achieving the Company objective of maximizing shareholder and stakeholder (i.e. policyholder, claimant and creditor) value. The institution of this Report on Corporate Governance seeks to provide the process and structure by which the business and affairs of the Company are directed and managed, in order to enhance the long-term shareholder value through the enhancement of corporate performance and accountability, taking into account the interest of all its stakeholders. As such, the Board of Directors and Management hereby commit themselves to the principles and best practices contained in this Report, and acknowledge that the same may guide the Company in the attainment of its corporate goals.

BOARD COMPOSITION AND RESPONSIBILITY

COMPOSITION

The Company's Board of Directors shall be composed of nine (9) members, elected by the stockholders having at least one (1) share registered under his/her name. Of the nine (9) members, three (3) shall be independent directors who are not involved in the management of the company nor are major / substantial shareholders.

TERM

The elected Board of Directors shall sit for a term of one (1) year, without any prohibition with respect to re-election.

QUALIFICATION

Each director should be an individual of the highest integrity, free from any conflict of interest that would violate any applicable law or regulation or interfere with the proper performance of the responsibilities of a director, with the adequate diligence to perform a director's duties, and is able to represent the interest of the shareholders as a whole.

RESTRICTIONS

No person is eligible for nomination or election to the Board if he is engaged in any business, which competes directly with the Company. All members of the Board are prohibited from simultaneously holding six or more similar positions in any company.

POSITIONS

Immediately upon its constitution, the Board shall formally organize itself by electing amongst themselves the Chairman, the Vice Chairman and the President. It also elects a Treasurer, who may or may not be a director and a Secretary who is a resident and a citizen of the Philippines. To ensure balance of power and authority, the positions of CEO and Chairman of the Board are to be occupied by different persons.

At present, the board has nine (9) directors possessed with the necessary skills, competence and experience in the field of management and/or and insurance and are persons of probity, credibility, and integrity.

POWERS

All corporate powers, business and property of the corporation are exercised, conducted and controlled by the Board of Directors. Without prejudice to such general powers and such other powers granted by the law, the Board of Directors likewise has the following powers:

1. From time to time, they may make and change rules and regulations not inconsistent with the by-laws for the management of the Company's business and affairs;
2. To purchase, receive, take or otherwise acquire in any lawful manner, for and in the name of the Company, any and all properties, rights, interests or privileges, including securities and bonds of other corporations as the transaction of the business of the Company may reasonably or necessarily require, for such consideration and upon such terms and conditions as the Board of Directors may deem proper or convenient;
3. To invest funds of the Company in another corporation or business or for any other purposes other than those for which the Company was organized, whenever in the judgment of the board, the interests of the Company would thereby be promoted, subject to such stockholder approval as may be required by law;
4. To incur such indebtedness as the Board may deem necessary and, for such purpose, to make and issue evidence of such indebtedness including without limitation, notes, debentures, or securities, subject to such stockholder approval as may be required by law, and/or pledge, mortgage, or otherwise encumber all or part of the properties and rights of the Company;
5. To guarantee, for and in behalf of the Company, obligations of other corporations or entities in which it has lawful interest;
6. To make provisions for the discharge of the obligations of the Company as they mature including payment for any property or rights acquired by the Company, either wholly or partly in money, property, or in stocks, bonds, debentures or other securities of the Company lawfully issued for the purpose;
7. To impose conditions as the Board may deem convenient, subject to the limitations prescribed by law, regarding the transfer of shares issued in total or partial payment of debts contracted or properties acquired by, or services rendered to the Company;
8. To sell, lease, exchange, assign, transfer or otherwise dispose of any property, real or personal, belonging to the Company whenever in the Board's judgment, the Company's interest would thereby be promoted;
9. To establish pension, retirement, bonus, profit sharing, or other types of incentives or compensation plans for the employees, including officers and directors of the Company and to determine the persons to participate in any such plans and the amount of their respective participants;
10. To prosecute, maintain, defend, compromise or abandon any lawsuit in which the Company or its officers are either plaintiffs or defendants in connection with the business of the Company, and likewise, to grant installments for the payments or settlement of whatsoever debts are payable to the Company;
11. To delegate, from time to time, any of the powers of the Board which may be lawfully delegated in the course of the current business or businesses to any standing or special committee or to any officer or agent and to appoint any persons to be agents of the Company with such powers (including the power to sub-delegate), and upon such terms as may be deemed fit; and
12. To implement the by-laws and to act on any matter not covered by the same provided that such matter does not require the approval or consent of the stockholders under any existing law, rule or regulation.

MEETINGS

The Board conducts regular board meetings every fourth Tuesday of April unless the same is a legal holiday. Otherwise, meetings are conducted on the succeeding business day.

EXECUTIVE COMMITTEE

The Board likewise constitutes an Executive Committee, which exercises and manages the business and affairs of the Company when the Board is not in session.

MANAGEMENT ACCOUNTABILITY

THE BOARD OF DIRECTORS

To ensure good governance, the Board institutes the Company's vision and mission, strategic objectives, policies and procedures that guide and direct the activities of the Company and the means to attain the same as well as the mechanism for monitoring management performance. The Board is likewise responsible in monitoring and overseeing management action.

AN INDIVIDUAL DIRECTOR

A director's office, being a position of trust and confidence, is acted upon in the best interests of the Company in a manner characterized by transparency, accountability and fairness. A director is prohibited from benefitting from knowledge about the Company or its operations that is generally not available to the market.

ANNUAL ASSESSMENT

An assessment of the Board, as a body, the President, the CEO, and the individual directors shall be conducted every year. It shall be under the supervision of the Nomination Committee, who shall guarantee the transparency of the assessment process as well as the criteria to be used therein.

CORPORATE INDEPENDENCE

The Company endeavors to maintain corporate independence in order to avoid compromising the interests of the minority shareholders and other stakeholders.

Full disclosure of controlling and/or substantial interest in the Company should be made to the Board, who ensures compliance with the pertinent provisions of the Insurance Code.
Loans

The Company prohibits the grant of loans to any member of its Board of Directors to ensure that its independence will not be put to question.
Related Party Transactions

Overlapping interests and any material transactions relating thereto are similarly disclosed to the Board. Should a director have an interest in a related party transaction or any other instance where there may be a conflict of interest, full disclosure is required. They are obliged to notify the Board at least one (1) day before they deal with company shares.

In the event that a related party transaction is disclosed to the Company, the Board shall cause the formation of a committee that includes independent directors, to review such disclosure. The member of the Board that has a related party transaction or a similar conflict of interest is also required to abstain from participating and voting when such matter is discussed.

INTERNAL CONTROLS AND OPERATIONAL RISK MANAGEMENT

The Board ensures that an effective system of controls is in place for safeguarding the Company's assets.

The Board exerts best efforts to protect shareholder value through adequate financial controls. The Board fosters and encourages a corporate environment of strong internal control, fiscal accountability, high ethical standards and compliance with the law and code of conduct.

Disclosure includes material information on the financial and operating results of, and any foreseeable risks for, the Company.

The Board ensures that an effective system of controls is in place for safeguarding the Company's assets.
Reports

The Board ensures that reports accurately reflect the financial condition of the Company and the results of corporate operations.

Major risks facing the Company which are likely to affect its performance and financial condition (including underwriting risk, reinsurance risk, investment risk, geographical risk, operational risk and legal risk) and the approach proposed to be taken by Management in dealing with these risks are reported to the Board to enable the latter to effectively address said risks.

AUDIT

The Board regularly reviews the system for securing adherence to key internal policies as well as significant laws and regulations that apply to the Company. An effective and comprehensive internal audit of the Company's internal control system is carried out by operationally-independent and competent staff, and audit findings and recommendations are reported to the Board and the Senior Management.

PUBLIC ACCOUNTABILITY

The Company, being in the business of insurance, ensures that its dealings with the public are always conducted in a fair, honest and equitable manner. Accordingly, officers of the Company should avoid conflicts of interest and are discouraged from engaging in any unfair or deceptive acts or conduct that constitute unfair trade practices to the detriment of stakeholders. These acts include, but are not limited, to the following:

Misrepresentations through false, deceptive or misleading statements, which include misrepresentations as to terms and benefits of insurance policies, the financial condition of the Company and information about competitors for the purpose of inducing a policyholder to lapse, forfeit, or surrender his policy;

Entering into any agreement to commit any act of boycott, coercion or intimidation resulting in a market monopoly of the insurance business; and

Knowingly committing or performing as a general business practice unfair claims settlement practices as defined in Section 241 of the Insurance Code.

FINANCIAL REPORTING

The Board ensures timely and accurate disclosure on all material matters, including the financial condition, performance, ownership and governance of the Company.

The Board and senior management receive regular reports on all key aspects of the operations of the Company, which include an analysis of premium growth, underwriting performance, investment results, claims management and credit control, to provide a sound basis for assessing financial performance and condition, identifying real and potential problems and formulating appropriate policies and strategies.

The Board likewise ensures faithful compliance with the financial and other reportorial requirements under the Insurance Code.

ACCESS TO INFORMATION

Fair, timely, and cost-efficient access to relevant information are provided to all parties with a legitimate interest in the Company. Key financial information is readily and easily accessible to shareholders, policyholders, and creditors.

PIONEER BOARD CHARTER

PURPOSE

This Charter provides a concise overview of the role and responsibilities of the Board of directors; powers of the Board, various Board committees and their roles; separation of roles between the Board and Management and the policies and practices of the Board in respect of corporate governance matters.

A. ROLE OF THE BOARD

1. The Board is the ultimate decision-making body of the Company.
2. The Board is responsible for establishing sound system of internal control for the Company.
3. The Board is responsible for overseeing the corporate governance framework.
4. The Board is responsible for adoption of strategic plans, policies, monitoring the operational performance, and processes that ensure integrity of the Company's risk management and internal controls.
5. The Board is responsible for establishing clear roles and responsibilities in
6. discharging its fiduciary and leadership functions.
7. The board is responsible for ensuring that management actively cultivates a culture of ethical conduct and sets the values to which the institution will adhere.
8. The Board is responsible for ensuring that the strategies adopted promote the sustainability of the company.
9. The Board is responsible for establishing policies and procedures for effective operations of the Company.
10. The Board shall establish an appropriate staffing and remuneration policy including the appointment of the Chief Executive Officer and the senior staff as may be applicable.
11. The Board is responsible for ensuring cognizance is taken by management of all applicable laws, regulations, governance codes, guidelines and regulations and establishing systems to effectively monitor and control their compliance across the Company.

B. MATTERS RESERVED FOR THE BOARD

1. The Board reserves specific powers to itself and delegates other matters to the management of the Company.
2. The Board delegates its day to day powers and duties to the President & CEO and Executive Committee which in turn will make further delegations in accordance with the authority granted by the Board.
 - have no conflicts of interest;
 - have appropriate professional skills, training and background;
 - bring influence and stature in the local market, including government, regulators and the business community;
 - add to Board diversity but also fit with the existing board;
 - have no political appointments;
 - be financially stable;
 - be able to devote sufficient time to the role and be willing to attend the scheduled board meetings in person. and only join by phone or video conference if absence would otherwise be unavoidable;
 - be independent as defined by local regulations;
 - satisfy the requirements under the applicable local regulation and
 - must not have served for more than nine years since they were first elected as an Independent Directors.

C. DELEGATION OF AUTHORITY

1. Effective governance of the Company requires management to be involved in all significant decisions, and to be accountable to the Board. All delegated authorities must emanate from the Board.
2. The President & CEO must raise with the Board any matter of significance affecting the Company which requires the Board's attention, including any matters which exceed the delegated authority of the executive management.

D. COMPOSITION OF BOARD

1. The Board shall be optimally constituted. The size of the operations, nature of business, and compliance to the requirements under the Corporate Code of the Philippines shall be considered.
2. The Board shall ensure that it comprises a diverse mix of skills and expertise critical for effective oversight on the management of the company. This shall be underscored by ensuring that each member has the requisite skill and access to the necessary tools required for their effective performance.
3. The Board will take into consideration the Board Diversity Policy in determining the composition of the Board.

Appointment and Remuneration of Board members

1. The Board shall consist of Non-Executive Directors, Executive Directors and Independent Directors as shall be determined from time to time and subject to regulatory requirements.
2. The Chairman of the Board shall be appointed by the Board.
3. The number of Board members shall be as determined by the Company's By-Laws and local regulatory requirements.
4. All Directors must disclose outside directorships and inform the Company Secretary of any changes to such directorships as soon as the changes take place.
5. The Board shall establish and approve formal and transparent remuneration policies and procedures for Board members.

E. DELEGATION OF AUTHORITY

To enhance independence, the Board shall avail an environment that ensures the members are critical and independent of one another so as to promote independent and objective judgement.

There shall be an annual review to evaluate the company's succession planning needs with regard to Independent Non-executive Directors. Prior to appointment, Independent Directors shall be required to satisfy the following criteria:

1. have no conflicts of interest;
2. have appropriate professional skills, training and background;
3. bring influence and stature in the local market, including government, regulators and the business community;

4. add to Board diversity but also fit with the existing board;
5. have no political appointments;
6. be financially stable;
7. be able to devote sufficient time to the role and be willing to attend the scheduled board meetings in person. and only join by phone or video conference if absence would otherwise be unavoidable;
8. be independent as defined by local regulations;
9. satisfy the requirements under the applicable local regulation and
10. must not have served for more than nine years since they were first elected as an Independent Directors.

F. ACCESS TO INFORMATION AND INDEPENDENT ADVICE

1. The Board may from time to time require independent legal, financial, governance or any other expert advice. To facilitate this, the Board shall establish a process for the members to obtain external advice at the company's expense and to invite Senior Management to provide technical advice when needed.
2. The Board shall establish procedures to allow its members access to relevant, accurate and complete information and professional advice in order to discharge its duties effectively.

G. BOARD TRAINING

1. Each Board member shall participate in an induction program that is tailored to effectively orient the member to the Company's business, strategy, objectives, policies, procedures, operations, senior management and the business environment. The induction shall also include all the necessary information that shall be required by a member for effective performance on the Board. New Board members shall also be introduced to their fiduciary duties and responsibilities as well as any other aspects that are unique to the business.
2. Board members should have a clear understanding of their role in corporate governance and be able to exercise sound and objective judgment about the affairs of the Company.
3. The Board shall ensure adequate Board development through continuous training to keep the Board well informed on critical information pertinent to the business and corporate governance environment.
4. The Board shall conduct an annual review to identify the training needs for each member on a regular basis and facilitate continuous development.

H. BOARD EVALUATION

1. For improved Board effectiveness, the Board shall carry out an assessment of its performance the performance of the Chairperson, that of its committees, individual members, the Chief Executive Officer and Company Secretary.
2. The Board shall discuss the results of the evaluation exercise which shall also inform the Board on the training needs for its members.

I. ROLE OF THE CHAIR AND THE PRESIDENT

The Board shall elect a chair. The President shall keep the Chair informed about the business of the Company.

The Role of the Chair shall be:

1. Provide leadership to the Board and ensure its effectiveness in all aspects of its role. The Chair shall set the Board agenda with the assistance of the President and Company Secretary;
2. To facilitate the effective contribution of non-executive directors and encourage constructive relations between executive and non-executive directors.
3. To monitor attendance at Board meetings;
4. To develop the strategy of the Company, together with the President, and ensure the Board is fully appraised and has the opportunity to debate the strategic direction of the Company;
5. To put in place and maintain an effective delegation of authority structure to provide effective management and control over the Company's business;
6. To communicate effectively with the Company's stakeholders. The stakeholders are, where applicable, shareholders, regulators, governments, customers, staff and the communities in which the Company operates in;
7. To ensure that the views of the shareholders are communicated to the Board as a whole;
8. To chair the Annual Shareholder Meeting and all other Shareholder Meetings of the Company;
9. Together with the CEO and Company Secretary, ensure that the Company operates to the highest standards of corporate governance;
10. To ensure the Board undertakes continuous development in order to enhance governance practices within the Board itself and in the interest of the company.

The role of the President shall be to:

1. Ensure that the policies spelt out by the board in the institution's overall corporate strategy of the institution are implemented;
2. Identify and recommend to the board competent officers to manage the operations of the institution. In the fulfilment of this duty, the President should ensure that the institution's human resources policy is adhered to;
3. Co-ordinate the operations of the various departments within the institution;
4. Establish and maintain efficient and adequate internal control systems;
5. Design and implement the necessary management information systems in order to facilitate efficient and effective communication within the institution;
6. Ensure that the Board is frequently and adequately appraised about the operations of the institution through presentation of relevant board papers, which must cover, but not limited to, the following areas:
 - Actual performance compared with the past performance and the budget together with explanations of all the variances.
 - Capital structure and adequacy.
 - Advances performance in particular problem loans, losses, recoveries and provisions.
 - Income and expenses.
 - Deposits: sources and distribution profile.
 - Report on violation of laws and remedial activities undertaken to ensure compliance with the law and regulations
 - Large exposures.
 - Any other areas relevant to the institution's operations.
 - Any other duties as may be assigned by the board from time to time.

J. DUTIES OF BOARD MEMBERS

Each Board member shall have the fiduciary duty to—

1. exercise reasonable degree of care, skill and diligence;
2. act in good faith and in the best interests of the company and not for any other purpose;
3. act honestly at all times and must not place themselves in a situation where personal interests conflict with those of the company;
4. at all times exercise independent judgement;
5. devote sufficient time to carry out their responsibilities and enhance their skills;
6. promote and protect the image of the company;
7. owe their duty to the company and not to the nominating authority; and
8. owe the company a duty to hold in confidence all information available to them by virtue of their position as a Board member.

K. THE COMPANY SECRETARY

The Board shall appoint a Company Secretary to assist and advise the Board and all Board Members.

The Company Secretary is the Secretary of the Board and is charge with the following responsibilities:

1. to provide guidance to the Board on its duties and responsibilities and on other matters of governance;
2. to ensure that the Board complies with its obligations under the law and the Articles of Incorporation and By-Laws
3. to assist the Chairperson of the Board in organizing the Board activities;
4. to assist the Board with evaluation exercise;
5. to coordinate the governance audit process;
6. to maintain and update the register of conflict of interest; and
7. to facilitate effective communication between the organization and the shareholders.

L. THE COMPANY SECRETARY

1. The Board may discharge any of its responsibilities through Board Committees appointed from amongst its members subject to the applicable laws.
2. The Board has established the following committees:
 - Audit Committee
 - Nomination Committee
 - Remuneration Committee
3. The Board shall appoint the Chairpersons of the Committees on the recommendation of the Nomination, Evaluation and Remuneration Committee and shall approve appropriate Charter for the Committees.
4. Reporting obligations:
 - The Committees shall report to the Board on matters referred to it by the Board and on its proceedings following each meeting of the committee. The report shall include findings, matters identified for specific recommendation to the Board, action points and any other issues as deemed appropriate.
 - The Committees shall liaise with each other in so far as it is expedient to effectively perform their different roles.
5. The Board remains collectively responsible for the decisions of any Committees and shall review the effectiveness and performance of Committees annually.
6. The Board may be required to establish other Committees from time to time.

M. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS

1. All directors are required to:
 - Declare any interests that may give rise to potential or perceived conflict e.g. multiple directorships, business relationships or other circumstances that could interfere with exercise of objective judgment;
 - Declare as soon as they become aware that a subject to be discussed at a Board or committee meeting may give rise to a conflict of interest, such interest at the outset of the applicable meeting. The conflicted director shall not participate further in the discussion of that subject, nor vote on it. This is subject at all times to the provisions of the local regulations, Articles of Incorporation and By-Laws
2. The Board shall evaluate all potential or perceived conflict of interest as declared and shall approve such transactions with the company as may be appropriate.

N. CODE OF CONDUCT

1. The Board shall adopt a Code of Conduct for all directors and employees that addresses, among other things, conflict of interest and which shall be reviewed and updated regularly. The Code of Conduct is disclosed on the Company's website.
2. The Company shall adopt an effective whistle blowing mechanisms that encourage staff and other stakeholders to bring out information helpful in enforcing good corporate governance practices.

O. RELATIONS WITH SHAREHOLDERS

The Board shall:

1. Recognize, respect and protect the rights of shareholders and shall ensure equitable treatment of all shareholders in the same class of issued shares.
2. Take into consideration the interests of the Company's shareholders in its decision- making process.
3. Provide shareholders with information as is required under the applicable law and shall establish mechanisms to ensure effective communication with shareholders.

P. RELATIONS WITH STAKEHOLDERS

1. The Board shall have a stakeholder-inclusive approach and will be responsible for giving due consideration to the legitimate interests and expectations of the Company's stakeholders in its deliberations, decisions and actions.
2. The Board shall establish effective communication with its stakeholders in line with the Board Stakeholder Engagement Policy.

Audit Committee Charter

PURPOSE

The Audit Committee is appointed by the Board of Directors to assist the latter in fulfilling its fiduciary oversight responsibilities of the company's internal and external auditors.

Committee Membership

The Audit Committee shall have at least two (2) independent members of the Board of Directors, preferably with accounting and finance experiences. The Board shall appoint the members of the Audit Committee.

Jomer H. Aquino, Chair	Lorenzo O. Chan, Jr., Member
Jocelyn D. Dequito, Member	Vener S. Abellera, Member

Committee Meetings

The Committee shall meet at least 2 times a year, with authority to convene additional meetings, as circumstances require. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will likewise be prepared.

Committee Authority and Responsibilities

1. The Audit Committee shall perform oversight financial management functions over the company's internal and external auditors.
2. The Audit Committee shall have the authority to resolve any disagreements between management, the external auditor and/or the internal auditor regarding financial reporting.
3. The Audit Committee shall be responsible for the setting up of the Internal Audit Department, the appointment of the internal auditors as well as of the independent external auditors.
4. The Audit Committee shall monitor and evaluate the adequacy and effectiveness of the internal control system of the company.
 - a. The Committee shall develop a transparent financial management system that will ensure the integrity of internal control activities throughout the company, and provide the mechanisms for periodic assessment of the system of internal controls, including information systems, and internal control over purchases from significant vendors and consultants.
5. The Audit Committee has authority to conduct or to authorize investigations into any matters within its scope of responsibility.
6. The Audit Committee shall review the annual financial statements, and consider whether they are complete and consistent with information known to committee members.
7. The Audit Committee shall, as and when it deems appropriate, review and reassess the adequacy of this Charter.
8. The Audit Committee shall annually review and evaluate its own performance.

CODE OF CONDUCT

PURPOSE

To ensure all directors, officers, and employees, collectively referred to as Ambassadors, of Pioneer behave appropriately and practice standards of professional and personal conduct that are consistent with the company's values. Pioneer may amend or vary this Code of Conduct from time to time, as it sees fit.

SCOPE

This policy applies to all Ambassadors regardless of employment agreement, rank, or location.

POLICY STATEMENT

The Code of Conduct outlines the required standard of acceptable conduct and behavior that is expected of all Ambassadors in the performance of their duties and responsibilities. The Code of Conduct and the behaviors outlined within it are fundamental to building healthy and positive relationships with its customers and stakeholders.

CORE VALUES

1. Integrity
We recognize that each employee of Pioneer defines our organization by the way they carry themselves. Integrity is all about knowing who we are and taking pride in what we stand for. It is about how we turn values into actions, how our actions reflect who we are, and how we see ourselves through the things we do. We strongly believe in this dual standard: to be strict with others but strictest with one's self, especially when no one is looking.

2. Excellence

We value excellence that goes beyond mere compliance. We believe in doing the right things the right way. Because we care about what is important to our stakeholders and caring is part of who we are, we will go out of our way to provide superior products and services that communicate our concern and desire to delight them. We believe that mediocrity is a form of dishonesty; it is not being true to who we are.

3. Malasakit

We genuinely value our work and duty. That is why we take ownership of it and work hand-in-hand in championing the progress of all stakeholders.

ETHICAL STANDARDS

1. Compliance with all applicable policies and laws
An individual understanding of relevant company policies, laws, rules, and regulations is required. Ambassadors with doubts about whether potential action complies with applicable law or Company policy should not take any action without getting relevant advice. Each Ambassador is responsible for preventing and reporting violations or potential violations. We expect Ambassadors to be ethical and responsible stewards of our company's finances, products, partnerships, and public image.
2. Respect for others
All Ambassadors are fully committed to treating one another with respect. We believe that an effective workplace can only exist when employees feel valued and included. We are fully committed to creating a workplace where human dignity is valued and manifest this through words and action.
3. Stewardship of Company Assets and Resources
All Ambassadors are expected to treat company assets and resources with respect and care. We utilize and safeguard our company resources judiciously, including our customer data.
4. Performance of Duties
All Ambassadors are expected to practice the highest standards of behavior in the performance of their duties with integrity and respect toward customers, stakeholders, and the community.
5. Conflict of interest
We encourage honesty and transparency in all business transactions.
Personal and financial interests are kept entirely separate from activities that may oppose the company's interests.
6. Collaboration and Communication

All Ambassadors are open for communication with stakeholders and colleagues.

CORPORATE GOVERNANCE

I. Internal Audit Department

Internal Audit Department (IAD) provides independent and objective evaluation of the effectiveness of risk management practices, corporate governance processes, and related internal operating and financial controls within the various departments and profit centers of Pioneer Insurance & Surety Corporation.

IAD determines compliance of various departments and profit centers to the Financial and Administrative regulations and rules as well as to the external governing bodies.

The IAD is effectively managed to ensure that the internal audit activities adds value to the organization.

Provisions and Guidelines

1. The Audit Committee of PISC provides general oversight and advises for audit arrangement; oversees the work of internal auditors; and considers the scope, results and effectiveness of audit reports.
2. The Institute of Internal Auditors (IIA) defines Internal Auditing as an independent, objective assurance and consulting activity designed to add value and improve an organization's operations.
3. The IAD helps the company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
4. The IAD provides Assurance (Audit) and Consulting (Advisory) services as part of their normal routine activities.
5. The head of IAD communicates the department's plans and resource requirements, including significant interim changes, to the Management and Audit Committee for review and approval.
6. The IAD has unrestricted access to all functions, records, property, and personnel relevant to the performance of their duties. The documents and information entrusted to the department will be handled with the required level of confidentiality and integrity.
7. The IAD's staff maybe assigned with any task but the job must not be operating or line responsibilities. They should only be assigned to tasks that will avoid situations of conflict of interest so as not to impair their objectivity or independence

Controls

1. IAD reports directly to Audit Committee who is composed of three independent Board of Directors
2. IAD conducts audit in accordance with the International Standards for the Professional Practice of Internal Auditing.
3. IAD audit activities are in line with the International Professional Practices Framework (IPPF)
4. IAD ensures continuous training and educational opportunities for each staff member
5. IAD holds regular staff meetings to discuss issues of interests or concerns of the department and its personnel.
6. IAD undergoes External Quality Assessment Review (EQAR) conducted by a qualified, independent reviewer or review team from outside the organization. The evaluation/s of the reviewer and review team will be a concrete manifestation of the Department's commitment to effectively and efficiently fulfill its mission.
Sycip, Gorres, Velayo & Co. (SGV & Co.) is the external auditor of PISC.

II. Internal Audit Staff

Internal auditors respect the confidentiality of information acquired during audit. Unauthorized disclosure of any official information or its use to gain personal benefit is prohibited.

7. Internal auditors do not use their position to gain unfair advantage in their personal affairs
8. Internal auditors are not allowed to enter into any activity which may conflict with the interests of IAD or which could prejudice their independence or ability to objectively carry out their duties and responsibilities
9. Internal auditors enhance their knowledge, skills, and other competencies through continuing professional development
10. The head of IAD ensures that his/her staff has a work environment that is free from
11. The head of IAD ensures that internal audit resources are appropriate, sufficient, and
12. Rigid selection of qualified and competent individuals to form the audit team is strictly observed based on the qualifications described in the specific duties and responsibilities of the IAD staff per annex iii

Controls

1. IAD staff must uphold the following principles:

- 1.1. PISC's Core Values:

- 1.1.1 Integrity – performing work with honesty, diligence and responsibility

- 1.1.2 Humanity – performing the job with warmth, compassion, and a sincere concern.

- 1.1.3 Excellence – continuous effort to learn and improve proficiency, effectiveness and quality of services

- 1.2 Code of Ethics mandated by the IPPF

- 1.2.1 Objectivity – an unbiased mental attitude that allows internal auditors to perform engagements in such a manner that they have an honest belief in their work product and that no quality compromises are made. It requires internal auditors not to subordinate their judgment on audit matters to others

- 1.2.2 Confidentiality – internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.

- 1.2.3 Competency - refers to knowledge, skills, and experience needed in the performance of internal audit services

2. The head of IAD must develop and maintain a quality assurance and improvement

- The program must include the following:

- 2.1 Ongoing monitoring of the performance of internal audit activity. This is incorporated into the routine policies and practices used to manage the internal audit activity and utilize processes, tools, and information considered necessary to evaluate performance with the Definition of Internal Auditing, the Code of Ethics and the Standards.

- 2.2 Periodic reviews performed through self-assessment or by other persons within the organization with sufficient knowledge of internal audit practice

II. Internal Audit Activities

1. Annual Planning

Coverage: Audit Cycles

Policy Statement

Internal audit planning determines the department and/or profit centers to be audited and formulates other related activities necessary to accomplish the functions of IAD.

Provisions and Guidelines

1. On a specified period of time, the IAD staff meet and plan the internal audit activity for the coming year/s
2. The head of IAD sees to it that the internal audit activity is risk based and
3. The audit plan includes the following:
Key Objective – main objective of the plan
Schedule of departments to be audited presented according to priority, and the number of days to be spent thereat
The financial budget to cover the transportation and other expenses of the auditors
The human resources needed for each assignment .
4. The head of IAD is responsible in presenting the department's plan to the

Controls

1. The audit activity plan is supportive of corporate directives cascaded by Audit Committee
2. The head of IAD reports to the Audit Committee, at appropriate interval, the progress
3. The IAD's staff strive that the general and administrative expenses of the department are within planned budget.
4. The Audit plan has basic foundations as follows:
 - 4.1 Control Environment or Audit Universe. Know and understand the Strategic plans of the company for its various departments or profit centers to determine the applicable type of audit and resources (financial & human) to be used in order to assist the management in achieving its planned objectives.
 - 4.2 Assessment of Risks. Identification of risk that threatens the company and the department that is most exposed by using the Risk Matrix.
 - 4.3 Control Activities. Setting up the schedule of departments and profit centers to be audited, the audit methodology to be used, the financial budget and identification of human resources to be needed.
 - 4.4 Management's input are taken into consideration in audit planning

Procedure

1. Prepare the Risk Matrix for identification of risks that threaten the company
 - 1.1 Identify from past audit results relevant risks that threatened various departments
 - 1.2 Summarize the risks and plot them against the department
 - 1.3 The result will show the department with most number of threats and also the risks commonly noted in various departments.

ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

Introduction

Pioneer Insurance ("Pioneer", for brevity) does not permit or tolerate any involvement in corruption and will resolve to acting with honesty and integrity in all of its business transactions and relationships and implementing effective systems to counter such unlawful activity. The company shall not participate in any activity which may be considered as bribery or corruption of any form related to the services, work or transactions arising from or in connection with its business. This anti-corruption and anti-bribery policy must be strictly observed in all transactions and dealings with Pioneer Insurance's clients, suppliers and other business partners, including the government.

This anti-bribery and anti-corruption policy (the "Policy") aims to provide a procedure to ensure that the company, together with its directors, officers, employees, consultants and contractors, conducts its business in an honest and ethical manner reflecting the highest standards of integrity and in compliance with all relevant laws and regulations applicable to it and in compliance with existing legislations. Acts of Bribery or Corruption are designed to influence an individual in the performance of his or her duty and incline them to act dishonestly.

Definition of Terms

1. Bribery is the offer, promise, giving, demanding or acceptance of a payment, benefit or other advantage as an inducement for an action that is illegal, unethical or a breach of trust.
2. Corruption is the misuse of an office or power for personal gain.
3. Third Parties are persons or entities who are either doing business with or acting for or on behalf of Pioneer Insurance anywhere in the world who are not company Personnel, including but not limited to agents, brokers, representatives, intermediaries, consultants, subcontractors, and business partners.
4. Gifts refer to things or a right to dispose of gratuitously, or any act or liberality, in favor of another who accepts it. It shall not include an unsolicited gift of nominal or insignificant value not given in anticipation of, or in exchange for, a favor from a public official or employee.
5. Receiving any gift includes the act of accepting directly or indirectly, a gift from a person other than a member of his family or relative even on the occasion of a national festivity like Christmas, if the value of the gift is neither nominal nor insignificant, or the gift is given in anticipation of, or in exchange for, a favor.

General Policy

Pioneer takes a zero-tolerance approach to bribery and corruption and is geared to acting professionally, ethically and with integrity in all its business transactions and relationships and to enforce systems and policies to detect and deter corruption and bribery. The company prohibits payments, offers or promises of payment, as well as giving, offering or promising of anything of value directly or indirectly to any representative or employee of the company or other person or entity in connection with any company transaction or business with such person or entity to assist Pioneer Insurance in obtaining or retaining an improper business advantage, whether or not any benefit is received. Prohibited payments include (but are not limited to):

- Payments made with the intention of influencing others to obtain or secure an improper advantage, including a decision to choose Pioneer Insurance to provide any products or services, or to reward the retention of business, or to provide the company with more preferential terms, including, but not limited to, providing any confidential, proprietary or competitor information that may provide Pioneer Insurance an improper advantage;
- Gifts, hospitality or other non-monetary items that do not comply with this Policy;
- Any gifts, hospitality or other non-monetary items that knowingly violate the policies of a customer, potential customer, Government Official, supplier, or other person or entity in connection with any Pioneer Insurance transaction or business with such person or entity;
- Payments to influence any act or decision of a Government Official in his or her official capacity;
- Payments to induce a Government Official to perform or fail to perform any act;
- Payments to influence a Government Official to abuse his or her power for personal gain;
- Payments inducing a Government Official to use his or her influence with a government or government instrumentality to affect or influence any act or decision of a government or instrumentality;
- Any political or charitable contribution by Pioneer Insurance subject to limitations;
- Requiring or encouraging any of the above payments to be made by a Third Party on behalf of Pioneer Insurance.

Covered Individuals

This Policy applies to all Pioneer directors, officers, employees, consultants, contractors and representatives of the Company and reflects the standards to which Pioneer expects such persons to adhere to when acting on the Pioneer's behalf.

Consequences of Non-Compliance

Involvement in corruption can jeopardize Pioneer's reputation and market position. The company can also incur severe administrative, civil and criminal penalties if it is found to have been involved in corruption. The same applies to the company's personnel or anyone working on behalf of Pioneer who is guilty of committing corruption within the business. The liability also covers aiding and abetting others that commit corruption, or wilfully ignoring clear evidence of corruption.

The personal liability also includes penalty in form of imprisonment. A breach of this policy will, in addition, constitute a disciplinary offense. Depending on the circumstances of the offence, it may be considered as gross misconduct which could subject the employee liable for dismissal.

All directors, officers, employees, contractors and consultants and third-party representatives in discharging their duties, shall comply with the laws, regulations and rules of the jurisdiction where they carry out their business duties to Pioneer and all jurisdictions where Pioneer conducts its business activities, and in particular with respect to corrupt practices laws, regulations and rules. Where uncertainty or ambiguity exists, competent legal advice should be obtained.

Failure to comply with this Policy may result in severe consequences, which will include internal disciplinary action and possible termination of employment or third party arrangements. The violation of this Policy may also violate certain laws and if it appears that a director, officer, employee, consultant or contractor or any third party representative may have violated such laws, then Pioneer may refer the matter for appropriate legal actions.

How the Violations are committed

The following acts shall constitute acts of Corruption or Bribery and are thus a violation to be sanctioned by this Policy:

- directly or indirectly, offer, give or agree to give or offer a loan, reward, advantage or benefit of any kind to a public official, political party, party official or political candidate as consideration for an act or omission by the recipient in connection with the performance of the recipient's duties or functions with the government; or to induce the official to use his or her position to influence any acts or decisions of such government for the purposes of obtaining or retaining an advantage in the course of business, including an act or decision to direct business;
- agree to, or comply with any demands for a bribe made by a public official, political party, party official or political candidate. However, a director, officer, employee, consultant or contractor of Pioneer will not have breached the terms of the Policy, if the loan, reward, advantage or benefit has been approved by the Board of Directors of Pioneer, and where such loan, reward, advantage or benefit is either:
 - (i) permitted or required under all applicable laws; or
 - (ii) made to pay the reasonable expenses incurred in good faith by or on behalf of the recipient that are directly related to the promotion, demonstration or explanation of the products or services of Pioneer, or the execution or performance of a contract between Pioneer and the government for which the recipient performs duties or functions;
- give, promise to give, or offer, a payment, gift or hospitality to a third party or otherwise engage in or permit a bribery offense to occur, with the expectation or hope that an advantage in business will be received, or to reward a business advantage already given;
- give, promise to give, or offer, a payment, gift or hospitality to a third party to "facilitate" or expedite a routine procedure;
- accept a payment, gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by Pioneer in return;
- threaten or retaliate against another employee or worker who has refused to commit a bribery or corruption offense or who has raised concerns under this Policy;
- engage in any activity that might lead to a breach of this Policy;
- directly or indirectly demand or accept a bribe;
- kickback any portion of a contract payment to employees of another contracting party or utilize other techniques, such as subcontracts, purchase orders or consulting agreements, or commissions to channel payment to public officials, to employees of another contracting party, their relatives or business associates;
- Committing a Facilitation Payment and giving of kickbacks. A "facilitation payment" is a payment to a government official designed to secure or speed up a routine government action, and is sometimes described as a "grease payment." Facilitation payment is a form of bribery, which is prohibited under Philippine law. Giving of kickbacks. Kickbacks are payments made in return for a business favor or advantage;
- Persuading, inducing or influencing another public officer to perform an act constituting a violation of rules and regulations duly promulgated by competent authority or an offense in connection with the official duties of the latter, or allowing himself to be persuaded, induced, or influenced to commit such violation or offense;
- Directly or indirectly requesting or receiving any gift, present, share, percentage, or benefit, for himself or for any other person, in connection with any contract or transaction between the Government and any other part, wherein the public officer in his official capacity has to intervene under the law;

- Directly or indirectly requesting or receiving any gift, present or other pecuniary or material benefit, for himself or for another, from any person in exchange of a business dealing with Pioneer Insurance;
- Causing any undue injury to any party, including the Government, or giving any private party any unwarranted benefits, advantage or preference in the discharge of his official functions through manifest partiality, evident bad faith or gross inexcusable negligence;
- Neglecting or refusing, after due demand or request, without sufficient justification, to act within a reasonable time on any matter pending before him for the purpose of obtaining, directly or indirectly, from any person interested in the matter some pecuniary or material benefit or advantage, or for the purpose of favoring his own interest or giving undue advantage in favor of or discriminating against any other interested party;
- Divulging valuable information of a confidential character, acquired by his office or by him on account of his official position to unauthorized persons, or releasing such information in advance of its authorized release date;
- Other acts analogous to the foregoing.

Allowable Acts Not Considered as Violations

Political Contributions

- make any contributions or provide any financial support to political parties or candidates on behalf of Pioneer.

Contributions of Pioneer funds to Government Officials, candidates for political office or political parties are prohibited unless the contribution has been approved in writing and in advance in accordance with the procedures established and monitored by Pioneer. Pioneer will not reimburse personal political contributions.

Charitable Contributions and Social Benefits

- make any charitable contributions on behalf of Pioneer without first consulting the management and obtaining approval from the management for such contribution. However, such requests must be carefully examined for legitimacy. Even requests determined to be legitimate must be carefully structured to ensure that the benefits reach their intended recipients.

Pioneer only makes charitable donations that are legal. Any charitable contribution made by or on behalf of Pioneer must be made in accordance with the procedures established and monitored by the Management. Monetary or in-kind contributions should not be given directly or indirectly to a Government Official, an individual or to a bank account in the name of an individual. A contribution must not be a disguised way of conferring a personal benefit on any Government Official or individual with whom Pioneer does business. If any Third Party or individual with whom Pioneer does business has promised or implied the possibility of a benefit or issued a threat in connection with a contribution request, the request must be denied and promptly reported to HR.

Meals and Entertainment

Meals associated with legitimate business activities are generally permissible as long as they are within the boundaries of ordinary and usual business entertainment. Since the purpose of meals and entertainment is to foster better business relations with our business partners, at least one Pioneer representative must be present at the event. A common—and permissible—example includes providing lunch for a government official or commercial partner who is visiting a Pioneer office for a meeting. All such meals must be reasonable in cost and must comport with all of the other Gift requirements listed below. To be clear, a “reasonable meal” is one that does not give the appearance of impropriety or favoritism.

- Modest, occasional meals;
- Occasional attendance at ordinary sports, theater and other cultural events; and
- Gifts of nominal value that may promote Pioneer’s business, such as items with the company’s logo (e.g., pens, portfolios, golf balls).

Giving and Receiving Gifts

Because giving gifts to government officials can be bribery in some situations, it is a sensitive subject. Therefore, do not give a gift unless it comports with all of the following:

- Is reasonable
- Is not cash or a cash equivalent such as a gift card or voucher
- Is permitted under local law and local custom
- Is permitted under the recipient employer’s policy
- Is presented with complete transparency
- Provided as a token of courtesy or in return for hospitality and not for influence.

Travel, Lodging and Related Expenses

At times, we might be asked to pay for a business partner, a potential business partner, or a customer's travel, lodging, and related expenses. This is permissible in certain limited circumstances. We may only pay for travel and accommodation expenses if:

- Travel is for a legitimate business purpose
- Expenditures are legal under all applicable local laws
- Cost is reasonable given the individual's seniority
- None of the individual's friends or family members are traveling at Pioneer Insurance's expense, and
- We have received prior written notice of the trip requesting that Pioneer pay for the expenses in question and have pre-approved the expenses.

Whenever possible, payments for travel, lodging, and related travel expenses should be made directly to the airline, hotel, or other vendor. Cash per diems are never allowed. Before paying travel-related expenses of a commercial partner, all company employees must obtain permission from the Management. Before paying any expenses related to a government official's travel, lodging, and related expenses, all employees must obtain permission from the same.

Reporting of Violations

Any officer or employee who becomes aware of actions which could constitute a violation of this Policy is required to report it to their immediate supervisor. However, if such officer or employee is not comfortable discussing the matter with their immediate supervisor, or does not believe that the supervisor has dealt with the matter properly, then they should raise the matter with a senior officer of the Company or anonymously make a complaint to the Human Resource Department (HRD). Officers and employees who raise concerns in good faith will not be subject to retribution or disciplinary action

Any report of solicitations to engage in a prohibited act or possible violation of the Policy will be investigated initially by the HRD. Where the matter is deemed potentially serious it will be promptly reported to the Management, and the following procedure will be followed:

- (a) The report will be recorded and an investigative file established. In the case of an oral report, the party receiving the report is also to prepare a written summary.
- (b) The Management will promptly commission the conduct of an investigation. The investigation will document all relevant facts, including persons involved, times and dates.
- (c) The identity of a person filing a report will be treated as confidential to the extent possible, and only revealed on a need-to-know basis or as required by law or court order.
- (d) On completion of the investigation, a written investigative report will be provided by the persons employed to conduct the investigation to the Management. If the investigation has documented unlawful, violative or other questionable conduct, the Management will advise the HRD of the matter.
- (e) If any unlawful, violative or other questionable conduct is discovered, the Management shall cause to be taken such remedial action as the Management deems appropriate under the circumstances to achieve compliance with the Policy and applicable law, and to otherwise remedy any unlawful, violative or other questionable conduct. The persons employed to conduct the investigation shall prepare, or cause to be prepared, a written summary of the remedial action taken.
- (f) In each case, the written investigative report (or summary of any oral report), and a written summary of the remedial action taken in response to the investigative report shall be retained along with the original report by or under the authority of the HRD.

Effectivity

This Policy shall take effect and shall be implemented immediately.

List of Training Programs for Pioneer Leaders 2022

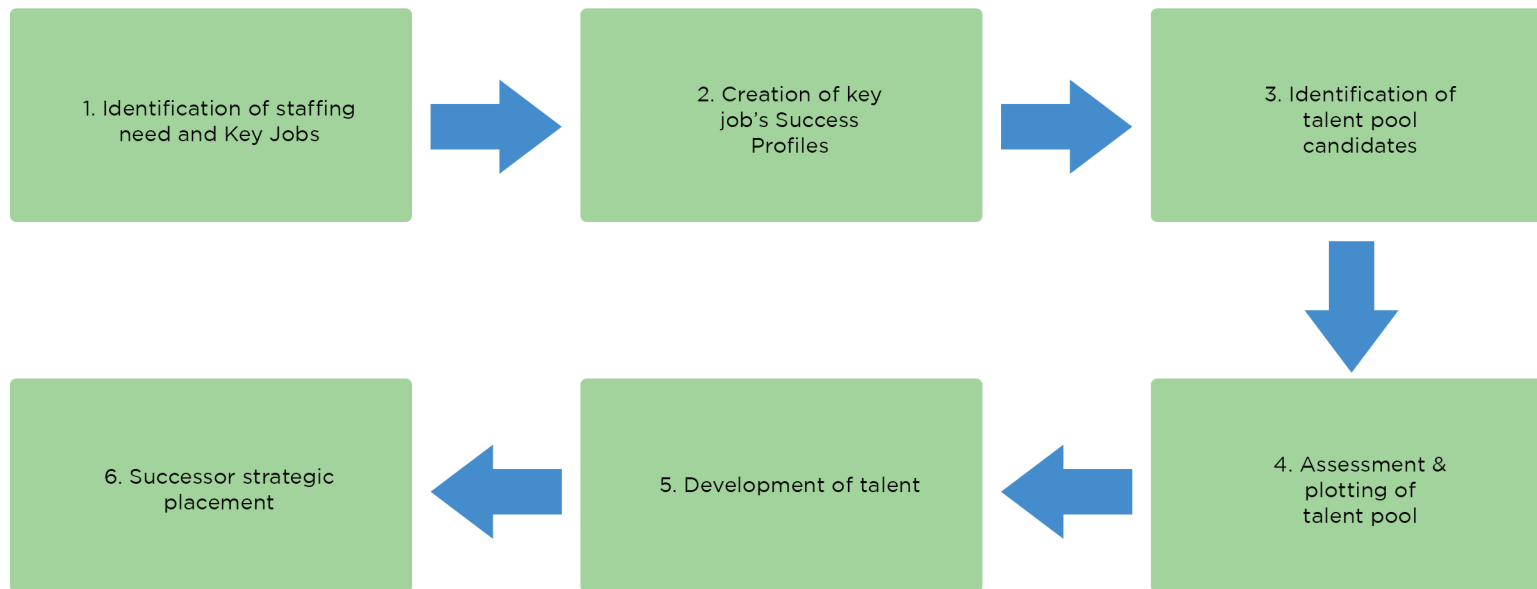
Year	Program Name	Course Title	Program Offering Type	Program Type	Service Provider	Name of Facilitator	Methodology/Channel
2022		How to Be A Great Village Captain	Internal	Conducted	In-house	Mica Baustista	Virtual
2022	Level Up	Level Up New Student Orientation	Internal	Conducted	External		Virtual
2022	Level Up	Level Up Module 1 (Emotional Intelligence)	Internal	Conducted	External		Virtual
2022	Level Up	Level Up Module 2 (Productivity)	Internal	Conducted	External		Virtual
2022	Level Up	Level Up Module 3 (Relationship Building - peer coaching)	Internal	Conducted	External		Virtual
2022	Level Up	Level Up Module 3 (Relationship Building - Assertive comms)	Internal	Conducted	External		Virtual
2022		LEAN #1	Internal	Conducted	External		Virtual
2022		Branch Functions Enhancement Workshop	Internal	Conducted	External		Virtual
2022		Contract Law for Non-Lawyers	Internal	Conducted	In-house	Internal SME	Virtual
2022	Product Briefing	PB: Fire	Internal	Conducted	In-house	Internal SME	Virtual
2022	Product Briefing	PB: Engineering	Internal	Conducted	In-house	Internal SME	Virtual
2022	Product Briefing	PB: Motor	Internal	Conducted	In-house	Internal SME	Virtual
2022	Product Briefing	PB: GA	Internal	Conducted	In-house	Internal SME	Virtual
2022	Product Briefing	PB: Cargo	Internal	Conducted	In-house	Internal SME	Virtual
2022	Product Briefing	PB: Special Lines	Internal	Conducted	In-house	Internal SME	Virtual
2022	Product Briefing	PB: Aviation	Internal	Conducted	In-house	Internal SME	Virtual
2022	Product Briefing	PB: Affinity	Internal	Conducted	In-house	Internal SME	Virtual
2022		Fire and Home Master	Internal	Conducted	In-house	Internal SME	Virtual
2022		Course	Internal	Conducted	In-house		E-learning course
2022		A Healthy Manager is a Good Manager (LRM10)	Internal	Conducted	In-house		E-learning course
2022		Being Authentic (LE005)	Internal	Conducted	In-house		E-learning course
2022		Being Brave (LE010)	Internal	Conducted	In-house		E-learning course
2022		Being Confident (LE009)	Internal	Conducted	In-house		E-learning course
2022		Being Positive (LRM03)	Internal	Conducted	In-house		E-learning course
2022		Building a Culture of Adaptability (AL005)	Internal	Conducted	In-house		E-learning course
2022		Building a Personal Mission	Internal	Conducted	In-house		E-learning course
2022		Coaching at Work	Internal	Conducted	In-house		E-learning course
2022		Conflict Management (LT002)	Internal	Conducted	In-house		E-learning course
2022		Decision Making	Internal	Conducted	In-house		E-learning course
2022		Delegation and Empowerment (LE002)	Internal	Conducted	In-house		E-learning course
2022		Discovering Your Strengths and Weaknesses (CM003)	Internal	Conducted	In-house		E-learning course
2022		Effective Meetings (LT003)	Internal	Conducted	In-house		E-learning course
2022		Emotional and Cultural Intelligence (LE004)	Internal	Conducted	In-house		E-learning course
2022		Facilitating Results (LT007)	Internal	Conducted	In-house		E-learning course
2022		General Management	Internal	Conducted	In-house		E-learning course
2022		Guide to Using Feedback	Internal	Conducted	In-house		E-learning course
2022		How to Delegate	Internal	Conducted	In-house		E-learning course
2022		Humility (LE003)	Internal	Conducted	In-house		E-learning course
2022		Inspiring Others (LE006)	Internal	Conducted	In-house		E-learning course
2022		Knowing when you're wrong (LRM09)	Internal	Conducted	In-house		E-learning course
2022		Leadership for Engagement	Internal	Conducted	In-house		E-learning course
2022		Leadership for Engagement (Holland)	Internal	Conducted	In-house		E-learning course
2022		Leading by Example (LT006)	Internal	Conducted	In-house		E-learning course
2022		Leading with Commitment (LRM04)	Internal	Conducted	In-house		E-learning course
2022		Leading with Empathy (LRM08)	Internal	Conducted	In-house		E-learning course
2022		Leading with Energy (LRM02)	Internal	Conducted	In-house		E-learning course
2022		Leading with Respect and Respecting Others (LRM01)	Internal	Conducted	In-house		E-learning course
2022		LEAN: Are Your Insurance Solutions in Tune with Your Customer N	Internal	Conducted	In-house		E-learning course
2022		LEAN: Customer Journey Mapping	Internal	Conducted	In-house		E-learning course
2022		Learning through Self-Correction (AL004)	Internal	Conducted	In-house		E-learning course
2022		Listening in Meetings (Holland)	Internal	Conducted	In-house		E-learning course
2022		Making Decisions (LE008)	Internal	Conducted	In-house		E-learning course

2022	Making Requests Assertively	Internal	Conducted	In-house	E-learning course
2022	Making Requests Assertively - Pioneer Branch Agents	Internal	Conducted	In-house	E-learning course
2022	Managers vs. Leaders (LT001)	Internal	Conducted	In-house	E-learning course
2022	Managing Change (LT010)	Internal	Conducted	In-house	E-learning course
2022	Managing Emotions	Internal	Conducted	In-house	E-learning course
2022	Monitoring Progress	Internal	Conducted	In-house	E-learning course
2022	Motivating Others (LT004)	Internal	Conducted	In-house	E-learning course
2022	Nurture Your Staff	Internal	Conducted	In-house	E-learning course
2022	Organize Yourself at Work	Internal	Conducted	In-house	E-learning course
2022	Overcoming Resistance to Shared Responsibility (AL003)	Internal	Conducted	In-house	E-learning course
2022	Personal Development Plans and Sticking to Them (CM008)	Internal	Conducted	In-house	E-learning course
2022	Practicing Situational Leadership (SL005)	Internal	Conducted	In-house	E-learning course
2022	Problem Solving	Internal	Conducted	In-house	E-learning course
2022	Promoting Talent (LT005)	Internal	Conducted	In-house	E-learning course
2022	Recognizing and Rewarding Others (LRM07)	Internal	Conducted	In-house	E-learning course
2022	Roles and Responsibilities (TWE06)	Internal	Conducted	In-house	E-learning course
2022	Scheduling	Internal	Conducted	In-house	E-learning course
2022	Self-Leadership: Fundamentals of Decision Making	Internal	Conducted	In-house	E-learning course
2022	Self-Leadership: Stress Management	Internal	Conducted	In-house	E-learning course
2022	Setting Realistic Goals	Internal	Conducted	In-house	E-learning course
2022	Setting Realistic Goals (PSA)	Internal	Conducted	In-house	E-learning course
2022	Situational Leadership - Delegating Leadership (SL004)	Internal	Conducted	In-house	E-learning course
2022	Situational Leadership - Participating Leadership (SL003)	Internal	Conducted	In-house	E-learning course
2022	Situational Leadership - Selling Leadership (SL002)	Internal	Conducted	In-house	E-learning course
2022	Situational Leadership - Telling Leadership (SL001)	Internal	Conducted	In-house	E-learning course
2022	Strategic Thinking	Internal	Conducted	In-house	E-learning course
2022	Strategy and Structure Alignment	Internal	Conducted	In-house	E-learning course
2022	Taking Accountability (LE007)	Internal	Conducted	In-house	E-learning course
2022	Target Setting	Internal	Conducted	In-house	E-learning course
2022	Target Setting (Hollard)	Internal	Conducted	In-house	E-learning course
2022	Team Leadership	Internal	Conducted	In-house	E-learning course
2022	Team Management	Internal	Conducted	In-house	E-learning course
2022	The 5S Method	Internal	Conducted	In-house	E-learning course
2022	The 7 Skills of Critical Thinking (BI001)	Internal	Conducted	In-house	E-learning course
2022	The Consequences of poor Health and Safety Practices (SFL05)	Internal	Conducted	In-house	E-learning course
2022	The Four Types Of Leader (LE001)	Internal	Conducted	In-house	E-learning course
2022	The Meeting to Assign Objectives	Internal	Conducted	In-house	E-learning course
2022	The Pareto Chart	Internal	Conducted	In-house	E-learning course
2022	The Power of Patience (LRM06)	Internal	Conducted	In-house	E-learning course
2022	Unlock Your Team's Potential	Internal	Conducted	In-house	E-learning course
2022	Unlocking Your Potential (CM001)	Internal	Conducted	In-house	E-learning course
2022	Using Authority and Power (Taking Chances) (AL002)	Internal	Conducted	In-house	E-learning course
2022	Using Humor (LRM05)	Internal	Conducted	In-house	E-learning course
2022	What is Adaptive Leadership? (AL001)	Internal	Conducted	In-house	E-learning course
2022	What is Behavioral Safety? (SFL02)	Internal	Conducted	In-house	E-learning course
2022	What is Safety Leadership? (SFL01)	Internal	Conducted	In-house	E-learning course
2022	What To Delegate	Internal	Conducted	In-house	E-learning course
2022	Work Breakdown Structure (Hollard)	Internal	Conducted	In-house	E-learning course
2022	Combined Six Sigma Yellow and Green Belt	External	Offered	SAS Management Inc.	Virtual
2022	Data Storytelling for Business	External	Conducted	STORY IQ	Virtual
2022	Digital Transformation Leader	External	Offered	SAS Management Inc.	Virtual
2022	Coaching and Training Programs by Benchmark Consulting	External	Offered	Benchmark Consulting	Virtual
2022	Coaching Programs by Haraya Coaching	External	Offered	Haraya coaching	Virtual
2022	Coaching Programs by International Coaching Federation	External	Offered	International Coaching Federation	Virtual

2022	LOMA 290	External	Conducted	LOMA	Virtual
2022	LOMA 281	External	Conducted	LOMA	Virtual
2022	ARA 440	External	Conducted	LOMA	Virtual
2022	AIRC 421	External	Conducted	LOMA	Virtual
2022	UND 386	External	Conducted	LOMA	Virtual
2022	LOMA 302	External	Conducted	LOMA	Virtual
2022	LOMA 308	External	Conducted	LOMA	Virtual
2022	LOMA 311	External	Conducted	LOMA	Virtual
2022	LOMA 301	External	Conducted	LOMA	Virtual
2022	LOMA 280	External	Conducted	LOMA	Virtual
2022	LOMA 280	External	Conducted	LOMA	Virtual
2022	LOMA 281 & CX 50	External	Conducted	LOMA	Virtual
2022	LOMA 371	External	Conducted	LOMA	Virtual
2022	LOMA 290	External	Conducted	LOMA	Virtual
2022	UND 386 (Self-proctored)	External	Conducted	LOMA	Virtual
2022	ACS - Associate, Customer Service - Life Insurance	External	Offered	LOMA	Virtual
2022	AIRC - Associate, Insurance Regulatory Compliance	External	Offered	LOMA	Virtual
2022	ARA - Associate, Reinsurance Administration	External	Offered	LOMA	Virtual
2022	CX - Certificate in Customer Experience Essentials	External	Offered	LOMA	Virtual
2022	FLMI Program Courses - Fellow, Life Management Institute	External	Offered	LOMA	Virtual
2022	FSRI Program Courses -Fellow, Secure Retirement Institute	External	Offered	LOMA	Virtual
2022	UND - Certificate in Underwriting	External	Offered	LOMA	Virtual
2022	Managing Head and Basic Training for PCO	External	Conducted	Insurance Institute for Asia and the Pacific Inc.	Virtual
2022	Motor Claims	External	Conducted	Insurance Institute for Asia and the Pacific Inc.	Virtual
2022	Basic Occupational Safety & Health for Safety Officer Lvl 2	External	Conducted	Manalo Occupational Safety and Health Co.	Virtual
2022	Basic Non-Life Insurance Course	External	Conducted	Insurance Institute for Asia and the Pacific Inc.	Virtual
2022	BPCO Online Training	External	Conducted	Insurance Institute for Asia and the Pacific Inc.	Virtual
2022	Executive Coaching (50% Balance)	External	Conducted	Insurance Institute for Asia and the Pacific Inc.	Virtual
2022	Advanced Course on Motor Insurance	External	Conducted	Insurance Institute for Asia and the Pacific Inc.	Virtual
2022	Bonds Claims	External	Conducted	Insurance Institute for Asia and the Pacific Inc.	Virtual
2022	Designing & Implementing Performance Management	External	Conducted	Management Association of the Philippines, Inc.	Virtual
2022	Intermediate Course on Reinsurance	External	Conducted	Insurance Institute for Asia and the Pacific Inc.	Virtual
2022	Expanded Withholding Tax Workshop	External	Conducted	SGV	Virtual
2022	Advanced Course on Engineering Insurance	External	Conducted	Insurance Institute for Asia and the Pacific Inc.	Virtual
2022	Designing Services for Insurance Companies	External	Conducted	AIRDC	Virtual
2022	Masterclass4: Hybrid Work Models in Government Academe	External	Conducted	Government Academe Industry Network, Inc.	Virtual
2022	NatCat Claims	External	Conducted	Insurance Institute for Asia and the Pacific Inc.	Virtual
2022	Drivers of Employee Engagement	External	Conducted	Management Association of the Philippines, Inc.	Virtual
2022	PCO Training Course	External	Conducted	Envia Consultant	Virtual
2022	ticketsforTransformingtheFutureofWork through Leadership and	External	Conducted	tionalCoachFederationPhilippinesChapterInc. (ICF)	Virtual
2022	2022 OD Course: Diagnosing Organizations	External	Conducted	ODPN	Virtual
2022	Data Storytelling for BusinessVirtual Instructor-Led Training	External	Conducted	DS PH Inc.	Virtual
2022	Asean Reinsurance Programme	External	Conducted	Insurance Institute for Asia and the Pacific Inc.	Virtual
2022	Leadership & Coaching Conference	External	Conducted	International Benchmark Consulting Network Inc.	Virtual
2022	CMA TRANSFORMATIVE COACHING PROGRAM	External	Conducted	Business Hat Inc.	Virtual
2022	ENTERPRISE-WIDE RISK MANAGEMENT	External	Conducted	Insurers and Reinsurers of Developing Countries (AIRDC)	Virtual
2022	Condominium Insurance	External	Conducted	Insurance Institute for Asia and the Pacific Inc.	Virtual
2022	Intermediate Course on Fire (Property) Insurance	External	Conducted	Insurance Institute for Asia and the Pacific Inc.	Virtual
2022	Business interruption Insurance Course	External	Conducted	Insurance Institute for Asia and the Pacific Inc.	Virtual
2022	Customer Service Excellence	External	Conducted	SAS Management Inc.	Virtual
2022	Tax Compliance 101 & Year-End Tax Compliance	External	Conducted	SGV & Co.	Virtual
2022	Taxation of Ecozone and Freeport Zone Enterprise	External	Conducted	SGV & Co.	Virtual
2022	SGV WEBINAR - EVERYTHING TAX: THE TAX PACKAGE	External	Conducted	SGV & Co.	Virtual
2022	Motor Claims, Damage Analysis, and Estimating Seminar	External	Conducted	Insurance Institute for Asia and the Pacific Inc.	Virtual

2022		Basic Life Insurance Course		Conducted	Insurance Institute for Asia and the Pacific Inc.	
2022		Life Insurance Operations and Management Course (LIOM)	External	Conducted	Insurance Institute for Asia and the Pacific Inc.	
2022		Principles and Practice of Life Insurance Accounting	External	Offered	Insurance Institute for Asia and the Pacific Inc.	
2022		Reinsurance Accounting	External	Offered	Insurance Institute for Asia and the Pacific Inc.	
2022		Advanced Course on Engineering Insurance	External	Offered	Insurance Institute for Asia and the Pacific Inc.	
2022		Advanced Course on Fire (Property) Insurance	External	Offered	Insurance Institute for Asia and the Pacific Inc.	
2022		Advanced Course on Loss Adjustment	External	Offered	Insurance Institute for Asia and the Pacific Inc.	
2022		Advanced Course on Marine Insurance	External	Offered	Insurance Institute for Asia and the Pacific Inc.	
2022		Advanced Course on Miscellaneous Casualty Insurance	External	Offered	Insurance Institute for Asia and the Pacific Inc.	
2022		Advanced Course on Motor Insurance	External	Offered	Insurance Institute for Asia and the Pacific Inc.	
2022		Advanced Course on Personal Accident and Health Insurance	External	Offered	Insurance Institute for Asia and the Pacific Inc.	
2022		Advanced Course on Reinsurance	External	Offered	Insurance Institute for Asia and the Pacific Inc.	
2022		Advanced Course on Suretyship	External	Offered	Insurance Institute for Asia and the Pacific Inc.	
2022		Basic Non-Life Insurance Course (BNL)	External	Conducted	Insurance Institute for Asia and the Pacific Inc.	
2022		Business Interruption Insurance Course	External	Offered	Insurance Institute for Asia and the Pacific Inc.	
2022		Condominium Insurance	External	Conducted	Insurance Institute for Asia and the Pacific Inc.	
2022		Insurance Claims	External	Conducted	Insurance Institute for Asia and the Pacific Inc.	
2022		Intermediate Course on Fire (Property) Insurance	External	Offered	Insurance Institute for Asia and the Pacific Inc.	
2022		Intermediate Course on Marine Insurance	External	Offered	Insurance Institute for Asia and the Pacific Inc.	
2022		Intermediate Course on Miscellaneous Casualty Insurance	External	Offered	Insurance Institute for Asia and the Pacific Inc.	
2022		Intermediate Course on Reinsurance	External	Offered	Insurance Institute for Asia and the Pacific Inc.	
2022		Motor Claims, Damage Analysis and Estimating Seminar	External	Offered	Insurance Institute for Asia and the Pacific Inc.	
2022		Non-Life Insurance Course for Agents	External	Offered	Insurance Institute for Asia and the Pacific Inc.	
2022		Principles and Practice of Non-Life Insurance Accounting	External	Offered	Insurance Institute for Asia and the Pacific Inc.	
2022		Reinsurance Accounting	External	Offered	Insurance Institute for Asia and the Pacific Inc.	
2022		Trainers Accreditation Course (TAC) for Life Insurance Companies	External	Offered	Insurance Institute for Asia and the Pacific Inc.	
2022		IT Project Management	External	Offered	SAS Management Inc.	
2022		PRINCE2 Foundation	External	Conducted	SAS Management Inc.	
2022		Project Management Fundamentals	External	Offered	SAS Management Inc.	
2022		Project Risk Management	External	Offered	SAS Management Inc.	
2022		Coaching and Mentoring	External	Offered	SAS Management Inc.	
2022		Complaints Management	External	Offered	SAS Management Inc.	
2022		Conflict Management	External	Offered	SAS Management Inc.	
2022		Corporate Governance	External	Offered	SAS Management Inc.	
2022		HR Management Fundamentals (HRMF)	External	Offered	SAS Management Inc.	
2022		Improving Grammar in Business Writing	External	Offered	Insurance Institute for Asia and the Pacific, Inc.	
2022		Operational Leadership	External	Offered	SAS Management Inc.	
2022		Problem Analysis and Decision Making	External	Offered	SAS Management Inc.	
2022		Strategic Leadership	External	Offered	SAS Management Inc.	
2022		Strategic Thinking and Planning	External	Offered	SAS Management Inc.	
2022		Succession Planning and Career Pathing	External	Offered	SAS Management Inc.	
2022		Supervisory Development Workshop	External	Offered	SAS Management Inc.	
2022		Supervisory Skills Development	External	Offered	SAS Management Inc.	
2022		Tactical Leadership	External	Offered	SAS Management Inc.	
2022		Train The Trainer	External	Offered	SAS Management Inc.	
2022	Step Up	Module 1: Finding Your Purpose	External	Offered	Carla Pia	Carla Pia
2022	Step Up	Module 1: Executive Presence	External	Offered	Carla Pia	Carla Pia
2022	Step Up	Module 2: Leadership Essentials	External	Offered	Carla Pia	Carla Pia
2022	Step Up	Module 3: Competency-based interviewing	External	Offered	Carla Pia	Carla Pia
2022	Step Up	Module 3: Mentoring and Delegating	External	Offered	HR Architects	
2022	Step Up	Module 3: Performance Management	External	Offered	HR Architects	
2022	Step Up	Module 3: Talent Management and Engagement	External	Offered	HR Architects	
2022	Step Up	Module 3: Coaching for Success	External	Offered	Benchmark Consulting	
2022	Step Up	Module 4: Visionary and Strategic Leadership	External	Offered	HR Architects	
2022	Step Up	Module 4: Critical Thinking and Innovation	External	Offered	HR Architects	
2022	Step Up	Module 4: Business Process Management	External	Offered	OD L&D SME	OD L&D SME
2022	Step Up	Module 4: Finance: Understanding P&L	External	Offered	OD L&D SME	OD L&D SME

SUCCESSION MANAGEMENT



Implementation Plan

	Activity	Participants/Org	Timeline
1	Succeed Orientation & Workshop	Org Heads DRs & Identified Key Jobs – Pioneer Group	2nd week of December
2	Post-workshop assignment (Completion of assessment and plotting)	Org Heads DRs & Identified Key Jobs – Pioneer Group	3rd to 4th week of December
3	Data analysis and reports	ODPS	January 2018
4	Development Planning and conversation	ODPS, Org Heads DRs & Identified Key Jobs	February to March

COMPENSATION COMMITTEE CHARTER

PURPOSE

The Compensation Committee is appointed by the Board to establish policies with respect to the compensation of the Company's executive directors, the chairman and senior management. The Committee has overall responsibilities for approving and evaluating director compensation plans, policies and programs of the Company.

COMMITTEE MEMBERSHIP

The Compensation Committee shall consist of at least three (3) members, one of whom is an independent director. The Board shall appoint the members of the Compensation Committee.

Jomer H. Aquino, Chair
Jocelyn D. Dequito, Member
Lorenzo O. Chan, Jr., Member

COMMITTEE MEETINGS

The Committee shall meet at least 2 times a year, with authority to convene additional meetings, as circumstances require.

Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will likewise be prepared.

COMMITTEE AUTHORITY AND RESPONSIBILITIES

1. The Compensation Committee shall establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of the executive directors and the chairman, and provide oversight over remuneration of senior management; ensuring that compensation is consistent with the company's culture, strategy and control environment.
2. The Compensation Committee shall have the sole authority to recommend and monitor the level and structure of salaries, including remunerations for senior management.
3. The Compensation Committee shall establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of individual directors.
 - With respect to the Chairman and all other executive directors, the Compensation Committee shall annually review and approve corporate goals and objectives relevant to compensation, evaluate performance in light of those goals and objectives, and determine and approve compensation levels based on this evaluation.
 - The Compensation Committee shall disallow any director to decide his or her own remuneration.
4. The Compensation Committee may delegate responsibilities for setting up remunerations for all executive directors and chairman, including pension rights or any compensation payments.
5. The Compensation Committee shall, as and when it deems appropriate, review and reassess the adequacy of this Charter.
6. The Compensation Committee shall annually review and evaluate its own performance.

NOMINATION COMMITTEE CHARTER

PURPOSE

The Nomination Committee is appointed by the Board to pre-screen and shortlist all candidates nominated to become a member of the Board of Directors as well as those nominated to other positions requiring appointment by the same, in accordance with the qualifications that the Committee and the Board may prescribe.

The Nomination Committee, in consultation with the executive or management, shall also be responsible for the description of the roles and capabilities required of a particular appointment.

COMMITTEE MEMBERSHIP

The Nomination Committee shall have at least three (3) members of the Board of Directors, one of whom must be independent.

The Board shall appoint the members of the Nomination Committee.

Jomer H. Aquino, Chair

Jocelyn D. Dequito, Member

Lorenzo O. Chan, Jr., Member

COMMITTEE MEETINGS

The Committee shall meet at least once a year, with authority to convene additional meetings, as circumstances require.

Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will likewise be prepared.

COMMITTEE AUTHORITY AND RESPONSIBILITIES

The Nomination Committee shall have the sole authority to pre-screen and shortlist all persons nominated to become a member of the Board of Directors in accordance with the following qualifications:

He must possess the necessary skills, competence and experience in terms of management capabilities preferably in the field of insurance or insurance-related disciplines;

He must be a person of integrity and credibility;

He shall be at least twenty-five (25) years of age at the time of his appointment;

He must have attended a special seminar on corporate governance conducted by a training provider accredited by the Insurance Commission;

He must be a holder of at least one (1) share of the capital stock of the corporation.

The Nomination Committee shall likewise have the sole authority to prescreen and shortlist all persons nominated to other positions requiring appointment by the Board of Directors.

For the appointment of the Chairman, the Committee shall prepare job specifications, which includes as assessment of the time commitment expected of him, recognizing the need for his availability in the event of cnrsrs, The Chairman's other significant commitments shall also be disclosed by the Committee to the Board before his appointment and the same shall be included in the annual report.

PROFILES OF THE BOARD OF DIRECTORS

NAME	QUALIFICATIONS
JOCELYN D. DEQUITO Chairman Filipino	She is the Chairman of the Board of CARD Pioneer Microinsurance Inc. She is also the Chief Executive Officer of CARD Mutual Benefit Association, Inc.
LORENZO O. CHAN, JR. Director Filipino	He is a member of the Board of CARD Pioneer Microinsurance Inc. Mr. Chan serves as the Head of the Pioneer Group of Companies. After finishing cum laude with a double degree in Finance and Quantitative Methods at Fordham University, New York, he came home to the Philippines to start work in Pioneer.
DAVID C. COYUKIAT Director Filipino	He is a member of the Board of CARD Pioneer Microinsurance Inc. Mr. Coyukiat serves as Senior Adviser to the Head of the Pioneer Group of Companies. He earned an AB in Economics at Dela Salle University.
VENER S. ABELLERA Director Filipino	He is a member of the Board of CARD Pioneer Microinsurance Inc. He is currently the President and General Manager of CARD MRI Insurance Agency. Mr. Abellera earned his college degree in Bachelor of Science in Psychology at Letran College and Master's degree in Entrepreneurial Management at Asian Institute of Management. He also earned units in Masters in Business Administration at Trinity College of Quezon City.
JOMER H. AQUINO Independent Director Filipino	He is an Independent Director of CARD Pioneer Microinsurance Inc. Atty. Aquino is also the Managing Partner of Burkley & Aquino Law Office. He is a graduate of Bachelor of Laws at University of the East, College of Law.
VITALIANO N. NAÑAGAS II Independent Director Filipino	He is an Independent Director of CARD Pioneer Microinsurance Inc. Mr. Nañagas is the former Chairman of Development Bank of the Philippines. He earned his Bachelor of Arts, major in Economics and Bachelor of Science in Commerce major in Accounting at De La Salle College. He earned his Master of Business Management degree and graduated with Distinction from the Asian Institute of Management.

CLAIMANT TESTIMONIALS



"Matapos kaming masunugan, nagamit po namin ang benepisyo mula sa Kabuklod Plan para makapagpatayo ng maliit na bahay worth Php30,000.00 na pwedeng matirhan.

Hindi kami nahirapan makuha ang benefits, hindi lalagpas ng apat na araw."

MARCELINA ALERIA

Sagip at Kabuklod claimant
mula sa Cagayan de Oro City

"Nakatulong po ang Maternity Benefit ng ER Care sa mga hospital bill noong nanganak po ako. Mabilis ko pong nakuha yung claim.

Isa na po ako sa nagpapatunay na totoo ang benepisyo ng insurance. Dahil dito, meron na rin po akong Kabuklod at Sagip Plan."

DIANA DUMAGUIN

ER Care claimant
mula Carles, Iloilo



SUSTAINABILITY ACHIEVEMENTS

2

of its buildings are certified
as green buildings by the LEED



297 Employees

19%
men

81%
women



17,494,229
clients insured



203,473,480.00
Total Sagip Plan Amount

SUSTAINABILITY COMMITMENTS



"I will consistently and continuously listen and adapt to our clients' and partners' needs to develop microinsurance products that offer the best value."

Ms. Melinda Grace Labao, *Officer-in-Charge*



"To speed up our goals of providing microinsurance access to most Filipinos, we will prioritize the development and training of Microinsurance Agents to become key drivers in pushing our products and services to our target clients."

Mr. Aristopher Punzalan, *Chief Operating Officer*



"As the pioneering microinsurance institution in the country, we will work better and smarter to provide microinsurance to more socially and economically challenged families across the country."

Ms. Ma. Cristina de Guzman,
Accounting Head



"We will consistently fill in the gaps in the market through fearless and creative approaches in the distribution of microinsurance products to get more Filipinos insured."

Mr. Romeo Casta, *Microinsurance Claims Head*



"We will continue to train ourselves to extend help to Filipino families nationwide by giving them access to quality and affordable microinsurance products and services."

Ms. Sherrie Mae Arellano, *Microinsurance Training Head*



"We will ensure that the clients we serve will have the best experience and provide the benefits they deserve."

Ms. Anna Danife Chan-Manese, *Microinsurance Admin Head*



"We will consistently provide a positive customer experience by continuously innovating and offering need-based and relevant products to help underserved Filipinos recover from life's unexpected challenges."

Ms. Rosita Abanto,
Microinsurance Sales Head

CPMI contribution to
 SUSTAINABLE DEVELOPMENT GOALS



DECENT WORK AND ECONOMIC GROWTH

Microinsurance coverage from CARD Pioneer helps protect micro, small, and medium business entrepreneurs, and informal workers from financial risks that could jeopardize their livelihoods. By promoting economic stability and resilience, CARD Pioneer supports decent work and economic growth. CARD Pioneer also provides its employees with a productive and secure workplace and delivers a fair salary, social protection, and personal development. It also provides livelihoods to its microinsurance agents and supervisors who are also clients and members of CARD MRI.



GOOD HEALTH AND WELL-BEING

CARD Pioneer's microinsurance coverage enables Filipino families and individuals to access affordable healthcare services when needed. This promotes good health and well-being and reduces financial burdens among low-income people.



GENDER EQUALITY

The microinsurance institution also promotes gender equality by providing equal access to microinsurance for both men and women. As CARD Pioneer empowers women with financial protection and security, it contributes to gender equality and women's empowerment.



CLIMATE ACTION

The microinsurance products of CARD Pioneer protect Filipino communities against the financial impacts of climate-related disasters and extreme weather events. As the institution advocates for climate resilience and adaptation, it contributes to climate action and environmental sustainability. Generally, CARD Pioneer's programs and initiatives play a crucial role in promoting financial inclusion, resilience, and sustainable development among low-income segments in our society, thus contributing to multiple SDGs.



NO POVERTY

The primary mission of CARD Pioneer is to eradicate poverty in the country by providing safety nets to the most vulnerable and low-income Filipino families. By providing access to affordable microinsurance services, we protect them from financial risks related to illness, accidents, and other uncertainties that may cause them to fall deeper into poverty.



REDUCE INEQUALITIES

CARD Pioneer offers inclusive microinsurance programs. It reduces inequalities by providing access to financial protection and security for marginalized and vulnerable populations. By ensuring that everyone has access to affordable insurance coverage, regardless of sex, income level, disability, sexual orientation, religion, and ethnicity, CARD Pioneer contributes to reducing inequalities.



SUSTAINABLE TRIAD

BALANCING PEOPLE, PLANET, & PROSPERITY

For more than nine years, CPMI has been working tirelessly to break the chains of poverty through life and non-life microinsurance and community development services. We work not only for the sustainability of our institution but also for the people and the community we work with. CPMI is and will remain committed to integrating the principles of People, Planet, and Prosperity from our

strategic planning to our daily operations. As the first microinsurance company in the Philippines, we understand that CPMI has a profound responsibility for the impact it creates on its employees, communities, and the environment. Through our integrated approach, we go the extra mile to create value for our society.

PEOPLE

We always recognize that our employees are the greatest asset of our organization and providing them a decent working environment is also a reflection of our success. From our entry-level employees to our management team, we continue to invest in their professional development, health, and safety as part of nurturing our culture and values. By providing opportunities for growth and development, we empower our employees to unlock their full potential and contribute to the overarching goal of CARD MRI to eradicate poverty in the country.

In addition, we place high importance on the needs of our clients and their families, particularly the underserved and vulnerable segments of society. Through our tailored microinsurance products and other community outreach programs, our holistic approach to development empowers our clients and the communities we serve to shape their current circumstances and build a better future.

CPMI provides access to financial security by bringing microinsurance to economically challenged families, ensuring financial stability during disasters and unforeseen events. By catering to low-income families, the institution empowers individuals to control their financial futures, increasing confidence and investment in health. Moreover, CPMI also promotes financial awareness, helping clients make informed decisions about financial planning and risk management.



100%

Regular employees received performance and career development reviews



PLANET

CPMI incorporates sustainable commitments in things that we do. The institution began with its practice of paperless initiatives in the workplace to reduce waste. These efforts aligned with our goal of preserving our environment's natural resources. Aside from that, we also support other green policies of CARD MRI such as energy and water conservation, and carbon reduction.

We advocate for disaster resilience by offering insurance to vulnerable populations and supporting sustainable development by helping communities recover from natural disasters.

PROSPERITY

To promote prosperity, some of CPMI's strategies include offering a diverse range of insurance products to protect clients from calamities. CPMI ensures that clients are well informed and educated to enhance their decision-making abilities and minimize unexpected loss. At CPMI, we also encourage CARD MRI clients to invest in insurance products for the long-term benefits they can have.

While we empower the communities we serve and safeguard our actions that will impact our environment, CPMI remains committed to delivering sustainable financial performance and creating value for our shareholders and stakeholders. Throughout our nine years of operations, we constantly uphold sound financial management practices, sensible risk management, and ethical business conduct. These support our long-term success and resilience as an institution. By nurturing the values of trust, transparency, and accountability, CPMI persistently boosts its reputation and credibility with the public.



Furthermore, we acknowledge the connection of our financial success with social and environmental well-being. Through our responsible and smart practices in lending, investing, and delivering strategic community development initiatives, we expect to generate positive social and environmental effects while bringing in reasonable financial returns.

Integration

The integration of People, Planet, and Prosperity considerations has been part of our organization for decades. From our comprehensive strategy development to our daily operations, we adhere to our sustainability principles in every aspect of our undertakings. Through collaboration, stakeholder engagement, and continuous improvement, CPMI is driving positive change and innovation across our operations. Through this integrated reporting, we are promoting transparency, accountability, and stakeholder engagement in this sustainability journey. We will measure and monitor our sustainability performance to track our progress, identify our rooms for improvement, and underscore our commitment to operate responsible business practices and contribute to our Sustainable Development Goals (SDGs).

In the coming years, CPMI will continue to navigate the opportunities and challenges of the future, but we will remain persistent in our promise to nurture People, Planet, and Prosperity in our organization. As we focus on the well-being of our clients and communities, preserve our environment, and serve sustainable financial performance, CPMI catalyzes positive change and sustainable development in the communities we serve. As we continue our journey towards a zero-poverty Philippines, we can build a more inclusive, resilient, and thriving future for all.



AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
CARD Pioneer Microinsurance Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CARD Pioneer Microinsurance Inc., (the Company), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of income, statements of comprehensive income, statements of changes in equity, and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 28 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of CARD Pioneer Microinsurance Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Bernadette L. Ramos

Bernadette L. Ramos

Partner

CPA Certificate No. 0091096

Tax Identification No. 178-486-666

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

BIR Accreditation No. 08-001998-081-2024, January 26, 2024, valid until January 25, 2027

PTR No. 10079998, January 6, 2024, Makati City

April 2, 2024

CARD PIONEER MICROINSURANCE INC.
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2023	2022
ASSETS		
Cash and cash equivalents (Notes 4 and 26)	₱709,716,682	₱690,710,410
Insurance receivables - net (Notes 5 and 26)	76,115,752	72,092,530
Financial assets (Notes 6 and 26)		
Financial assets at fair value through profit or loss (FVTPL)	128,618,170	56,945,720
Investment securities at amortized cost	2,498,318,037	2,117,514,897
Interest receivable (Notes 7 and 26)	26,446,743	21,243,542
Deferred acquisition costs (Note 8)	31,810,841	22,308,539
Reinsurance assets (Notes 9, 13 and 26)	183,356,603	97,666,972
Investment property - net (Note 10)	10	10
Property and equipment - net (Note 11)	7,690,501	731,096
Right-of-use assets (Note 24)	7,276,403	3,969,767
Net pension asset (Note 14)	2,847,501	8,050,607
Deferred tax assets - net (Note 22)	13,500,817	7,465,768
Other assets (Note 12)	17,103,799	16,766,973
TOTAL ASSETS	₱3,702,801,859	₱3,115,466,831
LIABILITIES AND EQUITY		
Liabilities		
Insurance contract liabilities (Notes 13 and 26)	₱806,785,961	₱592,437,008
Insurance payables (Notes 15 and 26)	154,799,444	40,657,550
Accounts payable and accrued expenses (Notes 16 and 26)	198,367,625	167,806,510
Deferred reinsurance commissions (Note 8)	7,618,663	5,904
Income tax payable	49,222,462	51,251,225
Lease liabilities (Note 24)	7,472,504	4,154,012
Total Liabilities	1,224,266,659	856,312,209
Equity		
Capital stock (Notes 17 and 25)	625,000,000	625,000,000
Contributed surplus	89,019,631	89,019,631
Retained earnings	1,766,124,392	1,543,450,399
Net remeasurement gain (loss) on defined benefit obligation (Note 14)	(1,608,823)	1,684,592
Total Equity	2,478,535,200	2,259,154,622
TOTAL LIABILITIES AND EQUITY	₱3,702,801,859	₱3,115,466,831

See accompanying Notes to Financial Statements.

CARD PIONEER MICROINSURANCE INC.
STATEMENTS OF INCOME

	Years Ended December 31	
	2023	2022
REVENUES		
Gross earned premiums on insurance contracts (Note 18)	₱1,351,348,560	₱1,026,477,066
Reinsurers' share of gross earned premiums on insurance contracts (Note 18)	(206,203,489)	(77,747,010)
Net earned premiums	1,145,145,071	948,730,056
Investment income - net (Note 19)	155,503,182	83,431,687
Commission income (Note 8)	11,748,058	268,665
Foreign currency exchange gains	—	23,687,227
Total Revenues	1,312,396,311	1,056,117,635
BENEFITS, CLAIMS AND EXPENSES		
Gross insurance contract benefits and claims paid (Notes 13 and 20)	371,570,268	325,878,629
Reinsurers' share of gross insurance contract benefits and claims paid (Notes 13 and 20)	(14,041,021)	(50,680,275)
Gross change in insurance contract liabilities (Notes 13 and 20)	33,404,176	41,020,916
Reinsurers' share of gross change in insurance contract liabilities (Notes 13 and 20)	(9,681,957)	(35,726,463)
Net insurance benefits and claims (Notes 13 and 20)	381,251,466	280,492,807
General expenses (Note 21)	386,308,824	300,852,532
Commission expense (Note 8)	78,302,696	56,476,123
Foreign currency exchange losses	1,535,419	—
Total Benefits Claims and Expenses	847,398,405	637,821,462
INCOME BEFORE INCOME TAX	464,997,906	418,296,173
PROVISION FOR INCOME TAX (Note 22)	109,542,663	105,977,528
NET INCOME	₱355,455,243	₱312,318,645

See accompanying Notes to Financial Statements.

CARD PIONEER MICROINSURANCE INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2023	2022
NET INCOME	₱355,455,243	₱312,318,645
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Items that will not be recycled to profit or loss</i>		
Remeasurement gain (loss) on defined benefit obligation (Note 14)	(4,391,220)	1,088,120
Income tax effect (Note 22)	1,097,805	(272,030)
	(3,293,415)	816,090
TOTAL COMPREHENSIVE INCOME	₱352,161,828	₱313,134,735

See accompanying Notes to Financial Statements.

CARD PIONEER MICROINSURANCE INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Capital Stock (Notes 17 and 25)	Contributed Surplus (Notes 25)	Net Remeasurement Gain (Loss) on Defined Benefit Obligation (Note 14)	Retained Earnings	Total
As at January 1, 2023	₱625,000,000	₱89,019,631	₱1,684,592	₱1,543,450,399	₱2,259,154,622
Net income	–	–	–	355,455,243	355,455,243
Other comprehensive income	–	–	(3,293,415)	–	(3,293,415)
Total comprehensive income	–	–	(3,293,415)	355,455,243	352,161,828
Dividends declared	–	–	–	(132,781,250)	(132,781,250)
As at December 31, 2023	₱625,000,000	₱89,019,631	(₱1,608,823)	₱1,766,124,392	₱2,478,535,200
As at January 1, 2022	₱625,000,000	₱89,019,631	₱868,502	₱1,309,736,399	₱2,024,624,532
Net income	–	–	–	312,318,645	312,318,645
Other comprehensive income	–	–	816,090	–	816,090
Total comprehensive income	–	–	816,090	312,318,645	313,134,735
Dividends declared	–	–	–	(78,604,645)	(78,604,645)
As at December 31, 2022	₱625,000,000	₱89,019,631	₱1,684,592	₱1,543,450,399	₱2,259,154,622

See accompanying Notes to Financial Statements.

CARD PIONEER MICROINSURANCE INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱464,997,906	₱418,296,173
Adjustments for:		
Interest income (Note 19)	(153,830,732)	(87,968,953)
Fair value loss (gain) on financial assets through FVTPL (Note 19)	(1,672,450)	3,074,280
Contributions to the pension fund (Note 14)	(56,000)	(4,010,000)
Depreciation and amortization (Notes 11, 21 and 24)	4,210,168	2,956,083
Unrealized foreign exchange loss (gain) - net	1,535,419	(23,687,227)
Retirement benefit expense (Note 14)	867,886	426,241
Interest expense on lease liability (Note 24)	244,089	97,594
Actuarial loss (gain) on service award liability	48,592	(119,484)
Loss from maturities of financial assets through FVTPL (Note 19)	—	1,462,986
Operating income before changes in working capital	316,344,878	310,527,693
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Insurance receivables	(4,023,222)	(20,047,061)
Deferred acquisition costs	(9,502,302)	(4,099,104)
Reinsurance assets	(85,689,632)	(28,493,037)
Other assets	(336,824)	61,653,973
Increase (decrease) in:		
Insurance contract liabilities	214,348,953	121,105,466
Insurance payables	114,141,894	(15,658,917)
Accounts payable and accrued expenses	30,512,522	53,997,780
Deferred reinsurance commissions	7,612,759	(170,271)
Net cash generated from operations	583,409,026	478,816,522
Income tax paid	(116,508,671)	(78,326,138)
Net cash provided by operating activities	466,900,355	400,490,384
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	154,372,790	91,094,250
Acquisitions of:		
Investment securities at amortized cost (Note 6)	(421,548,398)	(1,113,936,971)
Financial assets through FVTPL (Note 6)	(70,000,000)	(60,000,000)
Property and equipment (Note 11)	(8,596,245)	(184,648)
Proceeds from maturities of:		
Investment securities at amortized cost (Note 6)	35,000,000	62,300,000
Financial assets through FVTPL (Note 6)	—	38,545,000
Net cash used in investing activities	(310,771,853)	(982,182,369)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Cash dividends	(132,781,250)	(78,604,645)
Principal and interest on lease liabilities (Note 24)	(2,805,561)	(1,075,210)
Cash used in financing activities	(135,586,811)	(79,679,855)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(1,535,419)	23,687,227
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	19,006,272	(637,684,613)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	690,710,410	1,328,395,023
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱709,716,682	₱690,710,410

See accompanying Notes to Financial Statements.

CARD PIONEER MICROINSURANCE INC.
NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

CARD Pioneer Microinsurance Inc. (the “Company”), was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on August 16, 1963. On June 26, 2012, the Company renewed its registration with SEC to extend its corporate life for another 50 years.

The Company is engaged in the business of nonlife insurance, indemnifying others against loss, damage or liability arising from unknown or contingent events and to guarantee liabilities and obligations of any person, firm or corporation, and to act as agent of other insurance or surety companies, in any of its branches, including life insurance.

The Company is 47.88% owned by Pioneer Insurance & Surety Corporation (PISC), 46.08% by Center for Agriculture and Rural Development Mutual Benefit Association, Inc. (CARD MBA), 2.92% by Card MRI Insurance Agency Inc. (CaMIA), 1.48% by Pioneer Intercontinental Insurance Corporation (PIIC), 1.42% by Pioneer Life Inc. (PLI) and 0.21% by Pioneer Life Holdings, Inc. (PLHI).

The registered office address of the Company is Pioneer House, 108 Paseo de Roxas, Legaspi Village, Makati City.

The accompanying financial statements of the Company were approved and authorized for issue by the Board of Directors (BOD) on April 2, 2024.

2. Summary of Material Accounting Policies

Statement of Compliance

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

Basis of Preparation

The financial statements of the Company have been prepared on a historical cost basis except for financial assets at fair value through profit or loss (FVTPL) that have been measured at fair value. The financial statements are presented in Philippine Peso (₱), which is also the Company’s functional currency. All amounts are rounded off to the nearest peso unit, unless otherwise indicated.

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 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

Standards Issued but not yet Effective

The Company will adopt, where applicable, the following new standards, amendments to existing standards and interpretations when these become effective. Unless otherwise stated, the adoption of these new standards, amendments thereto and interpretation is not expected to have significant impact on the Company's financial statements. Additional disclosures will be provided when these standards and amendments are adopted.

Effective beginning on or after January 1, 2024

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

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

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

The core of PFRS 17 is the general model, which is based on the following building blocks for each group of insurance contracts: (a) fulfilment cash flows and (b) a contractual service margin or CSM (i.e., unearned profit). This is supplemented by:

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

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

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with full retrospective application from the transition date is required. The transition date is the beginning of the annual reporting period immediately preceding the date of initial application. If it is impracticable to apply PFRS 17 retrospectively for a group of insurance contracts, the Company must apply either the modified retrospective approach or the fair value approach. Early application is permitted.

The Company has acquired a system software to run data for PFRS 17 requirements. The Company is currently in the phase of data validation and integration to the system.

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 Company continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to 2023 on the Company's financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the financial statements when these amendments are adopted.

Translation of Foreign Currency-Denominated Transactions

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated using the functional currency rate of exchange ruling at the reporting date. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. All foreign exchange differences are taken to the statement of income.

Product Classification

Insurance contracts are those contracts when the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

The significance of insurance risk is dependent on both the probability of an insured event and the magnitude of its potential effect. As a general guideline, the Company defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or have expired.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of placement and that are subject to an insignificant risk of change in value and are free of any encumbrances.

Insurance Receivables

Insurance receivables are recognized on policy inception dates and measured on initial recognition at the fair value of the consideration. Subsequent to initial recognition, insurance receivables are measured at amortized cost. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate the carrying amount may not be recoverable, with impairment loss recorded in the statement of income. Insurance receivables are derecognized following the derecognition criteria of financial assets.

Financial Instruments – Initial Recognition

Date of recognition

Financial instruments are recognized on the date when the Company becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date.

Initial recognition

Determination of Fair Value

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

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

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

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.

Financial assets

The fair value for financial instruments traded in active markets at the end of the reporting period is based on their quoted market price or dealer price quotations, without any deduction for transaction costs. When current market prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, option pricing models, and other relevant valuation models.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable in the market, either directly or indirectly; or
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the reporting period ended December 31, 2023 and 2022, there were no transfers between level 1 and level 2 fair value movements, and no transfers into and out of level 3 fair value measurement.

Financial Instruments – Classification and Subsequent Measurement

The Company classifies its financial assets in the following categories: financial assets at FVTPL, financial assets at FVOCI and financial assets measured at amortized cost, while financial liabilities are classified as financial liabilities at amortized cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company'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.

Subsequent to initial recognition, the Company may reclassify its financial assets only when there is a change in its business model for managing these financial assets. Reclassification of financial liabilities is not allowed. 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)
- Financial assets at FVTPL

In order for debt instruments 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.

As of December 31, 2023 and 2022, the Company's financial assets comprise of financial assets at FVTPL and investment securities at amortized cost (see Notes 6 and 26).

As of December 31, 2023 and 2022, the Company's financial liabilities comprise of financial liabilities at amortized cost (see Note 26).

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of income.

This category includes listed equity investments which the Company had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognized as 'Dividends' under 'Investment and other income-net' in the statement of income when the right of payment has been established.

Financial assets at amortized cost (debt instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met:

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

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost include Cash and cash equivalents, Interest receivable, Insurance receivables, and Investment securities at amortized cost.

Financial Liabilities at Amortized Cost

Issued financial liabilities or their components, which are not designated as financial liabilities at FVTPL, are classified as other financial liabilities. The substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest rate 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 effective interest rate. Any effects of restatement of foreign currency-denominated liabilities are recognized in the statement of income.

This accounting policy relates to the statement of financial position captions: "Insurance payables" and "Accounts payable and accrued expenses" that meet the above definition (other than liabilities covered by other accounting standards, such as pension liability, lease liabilities and income tax payable).

Impairment of Financial Assets

PFRS 9 requires the Company to record ECL for all loans and other debt financial assets not classified as at FVTPL, together with loan commitments and financial guarantee contracts.

Expected credit loss methodology

ECL represents credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. ECL allowances will be measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a significant increase in credit risk since initial recognition. The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECL are credit losses that results from all possible default events over the expected life of the financial asset.

Definition of "default"

The Company defines a financial instrument as in default in all cases when the counterparty becomes over 90 days past due on its contractual payments. As a part of the qualitative assessment of whether a counterparty is in default, the Company also considers a variety of instances that may indicate

objective evidence of impairment, such as significant problems in the operations of the customers and bankruptcy of the counterparties.

Significant increase in credit risk (SICR)

The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Company's aging information, the borrower becomes past due for over 30 days. Further, the Company assumes that the credit risk of a financial asset, particularly on cash and equivalents, short-term investments and investment securities at amortized cost, has not increased significantly since origination if the financial asset is determined to have "low credit risk" as of the reporting date. A financial asset is considered "low credit risk" when it has an external rating equivalent to "investment grade".

In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company shall revert to recognizing a 12-month ECL.

Staging assessment

For non-credit-impaired financial instruments:

- Stage 1 is comprised of all non-impaired debt financial assets which have not experienced a SICR since initial recognition. The Company recognizes a 12-month ECL for Stage 1 debt financial assets.
- Stage 2 is comprised of all non-impaired debt financial assets which have experienced a SICR since initial recognition. The Company recognizes a lifetime ECL for Stage 2 debt financial assets.

For credit-impaired financial instruments:

- Financial instruments are classified as Stage 3 when there is objective evidence of impairment.

ECL parameters and methodologies

For 'Cash and cash equivalents', 'Interest receivable' and 'Investments at amortized cost', the Company's calculation of ECL is a function of the probability of default (PD), loss given default (LGD) and exposure at default (EAD), with the timing of the loss also considered, and is estimated by incorporating forward-looking economic information and through the use of experienced credit judgment.

For 'Insurance receivables', the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The provision rates are based on days past due for groupings of various counterparty segments that have similar loss patterns (e.g. by intermediary, debtor). The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Forward looking information

A range of economic overlays are considered and expert credit judgment is applied in determining the forward-looking inputs to the ECL calculation. The assessment of the correlation between historical

observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. Any subsequent recoveries are credited to 'Provision for credit losses' under 'General expense' in the statement of income.

Derecognition of Financial Assets and Liabilities

Financial asset

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

- the right to receive cash flows from the asset have expired;
- the Company 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 Company has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right 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 of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of the consideration that the Company could be required to repay.

Financial liabilities

Financial liabilities are derecognized when the obligations under the liabilities has expired or is discharged or cancelled. 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 income.

Offsetting of Financial Instruments

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

Reinsurance

The Company cedes insurance risk in the normal course of business for all of its businesses. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurers. The impairment loss is recorded in the statement of income.

Ceded reinsurance arrangements do not relieve the Company from its obligations to policyholders.

The Company also assumes reinsurance risk in the normal course of business. Premiums and claims on assumed reinsurance are recognized as income and expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Reinsurance liabilities represent balances due to reinsurance companies, which are included under "Insurance payables" in the statement of financial position. Amounts payable are estimated in a manner consistent with the associated reinsurance contract.

Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expired, or when the contract is transferred to another party.

Reinsurance contracts that do not transfer significant insurance risk are accounted for directly through the statement of financial position. These are deposit assets or financial liabilities that are recognized based on the consideration paid or received less any explicit identified premiums or fees to be retained by the reinsured. Investment income on these contracts is accounted for using the effective interest method.

Deferred Acquisition Costs (DAC) and Deferred Reinsurance Commissions (DRC)

Costs that vary with and are primarily related to the acquisition of new and renewal insurance contracts are deferred and charged against income using the 24th method. The unamortized acquisition costs are shown in the assets section of the statement of financial position as "Deferred acquisition costs." Reinsurance commissions are deferred and shown in the liabilities section of the statement of financial position as "Deferred reinsurance commissions," subject to the same amortization method as the related acquisition costs.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The initial cost of the property and equipment comprises its purchase price, non-refundable taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

	Years
Computer and electronic equipment	3
Furniture, fixtures, and equipment	5
Transportation Equipment	5

Leasehold improvements are amortized over the term of the lease or estimated useful life of two (2) years, whichever is shorter.

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

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of income in the year the item is derecognized.

Right-of-Use Assets

The Company recognizes right-of-use (ROU) assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU 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 and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term of one (1) to five (5) years.

ROU assets are subject to impairment. Refer to the accounting policies in section impairment of non-financial assets.

Investment Property

Investment properties are properties that are held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment properties are carried at cost less accumulated depreciation and any impairment in value. Depreciation is computed using the straight-line method over the estimated useful life of 10 years. The estimated useful life and the depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of income in the year of retirement or disposal.

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

As of December 31, 2023 and 2022, the Company classified its investment property under Level 3 of fair value hierarchy.

Impairment of Nonfinancial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in profit or loss.

For assets, 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 any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If such 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 and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Other Assets

Other assets are comprised of cash advances, claims fund, creditable withholding taxes, security fund, prepayments, input vat, various deposits and other receivable balances.

Insurance Contract Liabilities

Insurance contract liabilities are recognized when contracts are entered into and premiums are charged.

Claims provision

Outstanding claims are based on the estimated ultimate cost of all claims incurred but not settled at the statement of financial position date, whether reported or not, together with related claims handling costs, reduction for the expected value of salvage and other recoveries and MfAD. Delays can be experienced in the notification and settlement of certain types of claims; therefore, the ultimate cost of which cannot be known with certainty at the reporting date. The liability is not discounted for the time value of money and includes provision for claims reported, IBNR, claims handling expense and MfAD. The provision for claims liability is based on the independent adjusters' report on the individual claims. The IBNR was estimated using Chain Ladder method based on both claims paid and claims incurred, Bornhuetter-Ferguson method based on both claims paid and claims incurred, and Expected Loss Ratio. The claims handling expense are the direct and indirect expenses incurred and paid during the processing and settlement of individual claims. The MfAD was estimated using the Stochastic Chain Ladder method to bring the actuarial estimate of the claims liabilities at 75% percentile level of sufficiency. No provision for equalization or catastrophic reserves is recognized. The liabilities are derecognized when the contract is discharged, cancelled or has expired.

Provision for unearned premiums

The proportion of written premiums, gross of commissions payable to intermediaries, attributable to subsequent periods or to risks that have not yet expired is deferred as provision for unearned

premiums. The change in the provision for unearned premiums is taken to the statement of income in the order that revenue is recognized over the period of risk. Further provisions are made to cover claims under unexpired insurance contracts which may exceed the unearned premiums and the premiums due in respect of these contracts.

Unexpired risk reserve

At each reporting date, liability adequacy tests are performed, to ensure the adequacy of insurance contract liabilities, net of related DAC. In performing the test, current best estimates of future cash flows, claims handling and policy administration expenses are used. Changes in expected claims that have occurred, but which have not been settled, are reflected by adjusting the liability for claims and future benefits. Any inadequacy is immediately charged to the statement of income by establishing an unexpired risk provision for losses arising from the liability adequacy tests. As of December 31, 2023, the gross and net unearned premiums reserves remain sufficient to cover the estimated unexpired risk reserves at 75% confidence level.

Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and 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 Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below ₱250,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

- a. There is a change in contractual term, other than a renewal or extension of the arrangement;
- b. A renewal option is exercised or extension granted, unless that term of the renewal or extension was initially included in the lease term;
- c. There is a change in the determination of whether fulfillment is dependent on a specified asset; or
- d. There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios a, c or d above, and at the date of renewal or extension period for scenario b.

Company as a lessee

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as expense in the statement of income on a straight-line basis over the lease term. Minimum lease payments are recognized on a straight-line basis while the variable rent is recognized as an expense based on the terms of the lease contract.

Revenue Recognition

Revenue from contracts with customers is recognized upon transfer of services to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Company concluded that it is acting as a principal in all of its revenue arrangements.

Revenue outside the scope of PFRS 15

Premiums

Premiums from short-duration insurance contracts are recognized as revenue over the period of the contracts using the 24th method. The portion of the premiums written that relate to the unexpired periods of the policies at reporting date are accounted for as provision for unearned premiums and is presented under "Insurance contract liabilities" in the liabilities section of the statement of financial position. The net changes in this account between reporting dates is charged against or credited to income for the year.

Commission income

Commissions earned from short-duration insurance contracts are recognized as revenue over the period of the contracts using the 24th method.

Investment income

- Interest income is recognized in the statement of income as it accrues, taking into account the effective yield of the asset. Interest income includes the amortization of any discount or premium using the effective interest rate method.
- Dividend income is recognized when the Company's right to receive the payment is established.

Other income

All other income items are recognized in the statement of income when earned.

Expenses Recognition

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

Benefits and claims

Gross benefits and claims consist of benefits and claims paid to policyholders and changes in the gross valuation of insurance contract liabilities, except for gross changes in the provision for unearned premiums which are included in net earned premiums. It further includes internal and

external claims handling costs that are directly related to the processing and settlement of claims. Insurance claims are recorded on the basis of notifications received.

Commission expense

Commissions incurred from short-duration insurance contracts are recognized as revenue over the period of the contracts using the 24th method. The portion of the commissions that relates to the unexpired periods of the policies at reporting date is accounted for as “Deferred Acquisition Costs” and presented in the asset section of the statement of financial position.

General expenses

Expenses are recognized in the statement of income in the period these are incurred.

Interest expense

Interest expense is recognized in the statement of income as incurred.

Equity

Capital stock

Capital stock is measured at par value for all shares issued.

Contributed surplus

Contributed surplus represents contribution of shareholders to the Company in compliance with the requirement of the IC.

Retained earnings

Retained earnings represent the cumulative balance of net income or loss of the Company and other restatements, net of any dividend distribution.

Taxes

Income tax for the year consists of current and deferred tax. Income tax is determined in accordance with Philippine tax laws. Income tax is recognized in the statement of income, except to the extent that it relates to items recognized directly in equity or other comprehensive income. Tax on these items is recognized in the statement of comprehensive income.

Current tax

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

Deferred tax

Deferred tax is provided, using the balance sheet liability method, on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from excess of minimum corporate income tax (MCIT) over the regular corporate income tax and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient taxable profit will be available against which the deductible temporary differences and carryforward of unused tax credits from excess MCIT and NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of

the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow all or part of the deferred tax assets to be recovered.

Current tax and deferred tax relating to items recognized directly in the statement of comprehensive income are likewise recognized in the statement of comprehensive income.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted as of end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Movements in the deferred tax assets and liabilities arising from changes in the rates are charged against or credited to operations for the period.

Value-Added Tax (VAT)

Revenue, expenses and assets are recognized net of the amount of sales tax except:

- where the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and,
- receivables and payables that are stated with the amount of tax included.

The net amount of tax recoverable from the tax authority is included as part of other assets in the Company's statement of financial position.

Pension Cost

The Company has an unfunded, non-contributory retirement plan, covering its regular employees. Retirement cost is actuarially determined using the projected unit credit actuarial cost method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

Defined retirement costs comprise the following:

- (a) Service cost;
- (b) Net interest on the net defined benefit liability or asset;
- (c) Remeasurements of net defined benefit liability or asset.

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

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

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

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and when 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.

Contingencies

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

Events After the Reporting Period

Post year-end events that provide additional information about the Company’s position at end of the reporting period (adjusting event) are reflected in the financial statements. Post year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

3. Significant Accounting Judgments and Estimates

The preparation of the financial statements in accordance with PFRS requires the Company to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and 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 judgments and 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 determinable under the circumstances.

Judgments

In the process of applying the Company’s accounting policies, management has made the following judgments, apart from those involving estimates and assumptions, which have the most significant effect on the amounts recognized in the financial statements:

Product classification

The significance of insurance risk is dependent on both the probability of an insured event and the magnitude of its potential effect. As a general guideline, the Company defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

The Company has determined that the insurance policies it issues have significant insurance risks and therefore meet the definition of insurance contracts and should be accounted for as such.

Classification of financial instruments

The Company classifies its financial assets depending on the business model for managing those financial assets and whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.

The Company performs the business model assessment based on observable factors such as:

- Performance of the business model and the financial assets held within that business model are evaluated and reported to the Company’s key management personnel
- Risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- Compensation of business units whether based on the fair value of the assets managed or on the contractual cash flows collected
- Expected frequency, value and timing of sales

In performing the SPPI test, the Company applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, the period for which the interest rate is set, contingent events that would change the amount and timing of cash flows, leverage features, prepayment and extension terms and other features that may modify the consideration for the time value of money.

Estimates and Assumptions

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

Valuation of insurance contract liabilities

Estimates have to be made at the reporting date for the expected ultimate cost of both claims reported, claims IBNR, MfAD and URR. It takes a significant period of time before the ultimate claim cost can be established with certainty and for some type of policies, IBNR claims form the majority of the claims provision.

The primary technique adopted by management in estimating the cost of notified and IBNR claims is that of using past claims settlement trends to predict future claims settlement trends. The amount of IBNR claims is calculated using Chain Ladder method based on both claims paid and claims incurred, Bornhuetter-Ferguson method based on both claims paid and claims incurred, and expected loss ratio. At each reporting date, prior year claims estimates are assessed for adequacy and any changes made are charged to provision for claims reported and claims IBNR. MfAD is estimated using the Stochastic Chain Ladder method to bring the actuarial estimate of the claims liabilities at 75% percentile level of sufficiency. Liability adequacy tests are also performed to get the URR wherein current best estimates of future cash flows, claims handling and policy administration expenses are used. Changes in the expected claims that have occurred, but which have not been settled are reflected by adjusting the liability for claims and future benefits and any inadequacy is immediately charged to the statement of income by establishing an unexpired risk provision for losses. Insurance claims liabilities are not discounted for the time value of money.

The carrying value of total claims payable and IBNR included in the insurance contract liabilities amounted to ₱133.40 million and ₱99.99 million as of December 31, 2023 and 2022, respectively (see Note 13).

Impairment of financial assets

The Company uses a provision matrix to calculate ECLs for insurance receivables. The provision rates are based on days past due per policy.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The amount and timing of recorded expenses for any period would differ if the Company made different judgments or utilized different estimates. An increase in allowance for impairment losses would increase recorded expenses and decrease the assets' carrying values.

As of December 31, 2023 and 2022, the carrying value of insurance receivables amounted to ₱76.12 million and ₱72.09 million, respectively (see Note 5). The Company's allowance for impairment losses on insurance receivables amounted to ₱0.04 million as of December 31, 2023 and 2022, respectively (see Note 5).

As of December 31, 2023 and 2022, the carrying value of reinsurance assets amounted to ₱183.36 million and ₱97.67 million, respectively (see note 9). The Company's allowance for impairment losses on reinsurance assets amounted to ₱0.01 million as of December 31, 2023 and 2022, respectively (see Note 9).

Pension and other employee benefits

The cost of defined benefit plan and the present value of the pension obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension obligation. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the market yields on Philippine government bonds with terms consistent with the expected term of the defined benefit obligation as of reporting date. The mortality rate is based on publicly available mortality tables in the Philippines. Future salary increases are based on expected future inflation rates. The net pension asset amounted to ₱2.85 million and ₱8.05 million as of December 31, 2023 and 2022, respectively (see Note 14). Retirement benefit expense amounted to ₱0.87 million and ₱0.43 million in 2023 and 2022, respectively (see Note 14).

Recognition of deferred tax assets

Deferred tax assets are recognized for all future tax deductibles to the extent that it is probable that the taxable income will be available against which these temporary differences can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning strategies.

The carrying value of recognized deferred tax assets amounted to ₱21.47 million and ₱14.65 million as of December 31, 2023 and 2022, respectively (see Note 22).

Contingencies

The Company is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with external and internal legal counsels and based upon an analysis of potential results. The Company currently does not believe these proceedings will have a material adverse effect on the Company's financial position as of reporting date.

4. Cash and Cash Equivalents

This account consists of:

	2023	2022
Cash on hand	₱775,500	₱523,500
Cash in banks	79,818,201	47,693,257
Cash equivalents	629,122,981	642,493,653
	₱709,716,682	₱690,710,410

Cash in banks earns interest at the prevailing bank deposit rates. Cash equivalents are made for varying periods of up to three months, depending on the immediate cash requirements of the Company, and earned interest at the short-term deposit rates ranging from 0.75% to 6.50% in 2023 and 1.25% to 5.75% in 2022.

Interest income from cash in banks and cash equivalents amounted to ₱38.94 million and ₱18.37 million in 2023 and 2022, respectively (see Note 19).

5. Insurance Receivables - net

This account consists of:

	2023	2022
Due from ceding companies (Note 23)	₱48,549,436	₱25,482,433
Funds held by ceding companies (Note 23)	19,527,561	19,226,072
Premiums receivable	7,030,847	7,871,930
Reinsurance recoverable on paid losses (Note 23)	1,049,065	19,553,252
	76,156,909	72,133,687
Less allowance for impairment losses	41,157	41,157
	₱76,115,752	₱72,092,530

Due from ceding companies pertains to premiums collectible resulting from treaty and facultative acceptances from ceding companies.

Funds held by ceding companies represent portion of the premiums withheld by ceding companies in accordance with reinsurance contracts. These amounts are generally collected within one year after the reporting date. Interest income from funds held by ceding companies amounted to ₱0.41 million and ₱0.11 million in 2023 and 2022, respectively (see Note 19).

Premiums receivable represent premiums on written policies that are collectible within ninety (90) days.

Reinsurance recoverable on paid losses pertains to the Company's receivables from the reinsurers for their share on the losses paid by the Company. These amounts are due and demandable.

The aging analyses of insurance receivables follow:

	2023						Total
	0 to 60 days	61 to 90 days	91 to 120 days	121 to 180 days	More than 180 days	Impaired	
Due from ceding companies	₱36,991,274	₱119,334	₱-	₱2,402,450	₱9,036,378	₱-	₱48,549,436
Funds held by ceding companies	-	-	-	2,226,007	17,301,554	-	19,527,561
Premiums receivable	964,892	188,330	828,497	809,501	4,239,627	-	7,030,847
Reinsurance recoverable on paid losses	-	-	-	-	1,007,908	41,157	1,049,065
	₱37,956,166	₱307,664	₱828,497	₱5,437,958	₱31,585,467	₱41,157	₱76,156,909

	2022						Total
	0 to 60 days	61 to 90 days	91 to 120 days	121 to 180 days	More than 180 days	Impaired	
Due from ceding companies	₱6,966,216	₱288,007	₱7,273,989	₱959,725	₱9,994,496	₱-	₱25,482,433
Funds held by ceding companies	228,854	-	1,446,973	-	17,550,245	-	19,226,072
Premiums receivable	4,059,158	328,139	830,095	724,462	1,930,076	-	7,871,930
Reinsurance recoverable on paid losses	16,565,550	-	-	-	2,946,545	41,157	19,553,252
	₱27,819,778	₱616,146	₱9,551,057	₱1,684,187	₱32,421,362	₱41,157	₱72,133,687

There was no additional provision or reversal of provision for impairment losses on reinsurance recoverable on paid losses in 2023 and 2022.

6. Financial Assets

The Company's financial assets are summarized by measurement categories as follows:

	2023	2022
Financial assets at FVTPL	₱128,618,170	₱56,945,720
Investment securities at amortized cost	2,498,318,037	2,117,514,897
	₱2,626,936,207	₱2,174,460,617

The assets included in each of the categories above are detailed below:

Financial assets at FVTPL

The Company's financial assets at FVTPL represent corporate debt instruments issued locally. Interest income from financial assets at FVTPL amounted to ₱6.38 million and ₱3.38 million in 2023 and 2022, respectively (see Note 19).

Investment securities at amortized cost

This account represents debt instruments issued by the Philippine government amounting to ₱2.50 billion and ₱2.12 billion as of December 31, 2023 and 2022, respectively. The terms of the issues range from 1 to 20 years and earned coupon rates of 2.38% to 9.25% and 2.63% to 9.25% in 2023 and 2022, respectively.

Interest income from investment securities at amortized cost in 2023 and 2022 amounted to ₱108.02 million and ₱66.02 million, respectively (see Note 19).

The carrying values of financial assets (excluding loans and receivables) have been determined as follows:

	2023		
	Financial assets at FVTPL	Investment securities at amortized cost	Total
At January 1	₱56,945,720	₱2,117,514,897	₱2,174,460,617
Acquisitions	70,000,000	421,548,398	491,548,398
Fair value gain (Note 19)	1,672,450	-	1,672,450
Maturities	-	(35,000,000)	(35,000,000)
Premium amortization	-	(5,745,258)	(5,745,258)
At December 31	₱128,618,170	₱2,498,318,037	₱2,626,936,207

	2022		
	Financial assets at FVTPL	Investment securities at amortized cost	Total
At January 1	₱40,027,986	₱1,074,994,835	₱1,115,022,821
Acquisitions	60,000,000	1,113,936,971	1,173,936,971
Fair value loss (Note 19)	(3,074,280)	-	(3,074,280)
Maturities	(38,545,000)	(62,300,000)	(100,845,000)
Loss from redemption (Note 19)	(1,462,986)	-	(1,462,986)
Premium amortization	-	(9,116,909)	(9,116,909)
At December 31	₱56,945,720	₱2,117,514,897	₱2,174,460,617

7. Interest Receivable

This account consists of interest receivable on:

	2023	2022
Investment securities at amortized cost	₱23,832,000	₱19,714,278
Cash and cash equivalents	2,088,054	1,131,424
Financial assets at FVTPL	526,689	397,840
	₱26,446,743	₱21,243,542

8. Deferred Acquisition Costs and Deferred Reinsurance Commissions

The rollforward analysis of deferred acquisition costs follows:

	2023	2022
At January 1	₱22,308,539	₱18,209,435
Cost deferred during the year	87,804,998	60,575,227
Cost incurred during the year	(78,302,696)	(56,476,123)
At December 31	₱31,810,841	₱22,308,539

Deferred acquisition costs refer to the portion of commission expense that relate to the unexpired periods of the policies as of the reporting date using the 24th method.

The rollforward analysis of deferred reinsurance commissions follows:

	2023	2022
At January 1	₱5,904	₱176,175
Income deferred during the year	19,360,817	98,394
Income earned during the year	(11,748,058)	(268,665)
At December 31	₱7,618,663	₱5,904

Deferred reinsurance commissions refer to the portion of commission income that relate to the unexpired periods of the policies as of the reporting date using the 24th method.

The appraised value of the condominium unit was determined using sales comparison approach. This is a comparative approach that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. Listings and offerings may also be considered. The properties used as basis for comparison are situated within the subject building or in other comparable condominium buildings nearby. Comparison would be premised on the factors such as floor level location, interior finishes, parking slot allocation and facilities offered and the time element.

The Company determined that condominium units at the measurement date are valued in terms of its highest and best use which is categorized under Level 3 of the fair value hierarchy. For strategic reasons, the properties are not being used in this manner.

As at December 31, 2023 and 2022, the property has not been pledged as collateral or security for any of the Company's liabilities and the Company has no restrictions on the realizability of its condominium unit and no contractual obligation to purchase, construct or develop such property or for repairs, maintenance and enhancements. The property is fully depreciated and currently not in use.

9. Reinsurance Assets

This account consists of:

	2023	2022
Deferred reinsurance premiums (Note 13)	₱125,314,165	₱49,306,491
Reinsurance recoverable on unpaid losses (Note 13)	58,054,252	48,372,295
	183,368,417	97,678,786
Less allowance for impairment losses	11,814	11,814
	₱183,356,603	₱97,666,972

Deferred reinsurance premiums are portions of the ceded premiums that relate to the unexpired periods of the policies as of the reporting date using the 24th method.

Reinsurance recoverable on unpaid losses is the reinsurer's share on the losses or claims that are yet to be settled by the Company.

10. Investment Property

The Company's investment property pertains to a condominium unit located at the 7th floor of A&T Building, Binondo, Manila with an acquisition cost of **₱11,966,201** and a net book value of **₱10**.

The appraised value of the investment property as of December 31, 2023 and 2022 amounted to **₱26,803,000** and **₱25,314,000**, respectively. The fair value of the property is based on valuations performed by Cuervo Appraisers, Inc. (CAI), an accredited independent valuer. CAI is a specialist in valuing these types of investment properties. There was no change in the valuation technique used.

The following table shows the valuation technique used and key inputs to valuation on the investment property:

Valuation Technique	Significant Unobservable Inputs	Range (Weighted Average)	
		2023	2022
Sales Comparison Approach	Asking price per square meter	₱65,952 - ₱119,048	₱78,930 - ₱135,040
	Location	-5.00% to -10.00%	-5.00%
	Size	-5.00% to -8.00%	-8.00% to -10.00%
	Time Element	0.00%	0.00%

11. Property and Equipment - net

As of December 31, 2023 and 2022, the movements of this account follow:

	2023				
	Computer and Electronic Equipment	Transportation Equipment	Furniture, Fixtures and Equipment	Leasehold Improvements	Total
Cost					
Balance at beginning of year	₱11,096,005	₱1,739,285	₱89,270	₱3,343,367	₱16,267,927
Additions	4,743,839	3,538,721	—	313,685	8,596,245
Retirement	(2,452,853)	(1,739,286)	—	—	(4,192,139)
Balance at end of year	13,386,991	3,538,720	89,270	3,657,052	20,672,033
Accumulated Depreciation and Amortization					
Balance at beginning of year	10,776,342	1,710,297	72,531	2,977,661	15,536,831
Depreciation and amortization (Note 21)	846,033	343,152	12,554	435,101	1,636,840
Retirement	(2,452,853)	(1,739,286)	—	—	(4,192,139)
Balance at end of year	9,169,522	314,163	85,085	3,412,762	12,981,532
Net Book Value	₱4,217,469	₱3,224,557	₱4,185	₱244,290	₱7,690,501

	2022				
	Computer and Electronic Equipment	Transportation Equipment	Furniture, Fixtures and Equipment	Leasehold Improvements	Total
Cost					
Balance at beginning of year	₱11,737,271	₱1,739,285	₱89,270	₱3,158,719	₱16,724,545
Additions	—	—	—	184,648	184,648
Retirement	(641,266)	—	—	—	(641,266)
Balance at end of year	11,096,005	1,739,285	89,270	3,343,367	16,267,927
Accumulated Depreciation and Amortization					
Balance at beginning of year	10,460,481	1,362,440	59,977	2,447,045	14,329,943
Depreciation and amortization (Note 21)	957,127	347,857	12,554	530,616	1,848,154
Retirement	(641,266)	—	—	—	(641,266)
Balance at end of year	10,776,342	1,710,297	72,531	2,977,661	15,536,831
Net Book Value	₱319,663	₱28,988	₱16,739	₱365,706	₱731,096

As of December 31, 2023, and 2022, fully depreciated property and equipment that are still in use by the Company amounted to ₱10,925,797 and ₱12,792,881, respectively.

12. Other Assets

This account consists of:

	2023	2022
Accountable cash advances	₱6,213,673	₱6,264,614
Claims fund	5,880,691	5,157,985
Chattel mortgage loans	1,866,357	1,361,500
Prepayments	1,749,438	1,226,848
Deferred input VAT	1,444,372	1,143,960
Creditable withholding taxes (CWTs)	95,609	350,324
Security fund	48,439	48,439
Due from related party (Note 23)	—	1,408,083
	17,298,579	16,961,753
Less allowance for impairment losses	194,780	194,780
	₱17,103,799	₱16,766,973

Accountable cash advances of employees are collected through payroll deduction or expense liquidation.

Claims fund pertains to advances and deposits made for payment of possible future claims.

Chattel mortgage loans consist mainly of loans extended to employees. These earn interest at 6% per annum with maturity of 7 years. Interest income from chattel mortgage loans amounted to ₱86,909 and ₱80,435 in 2023 and 2022, respectively (see Note 19). These are collected through payroll deduction.

Prepayments include refundable security deposits on lease agreements and advance payments for real property tax and community tax certificates.

Deferred input VAT relates to input VAT from unpaid commissions.

CWTs pertain to withholding taxes from prior years and current year transactions.

Security fund pertains to contribution to a fund as required by the IC on all insurance companies authorized to do business in the Philippines.

13. Insurance Contract Liabilities and Reinsurance Assets

The analysis of insurance contract liabilities, net of reinsurers' share of liabilities follows:

	2023			2022		
	Insurance Contract Liabilities	Reinsurers' Share of Liabilities (Note 9)	Net	Insurance Contract Liabilities	Reinsurers' Share of Liabilities (Note 9)	Net
Provision for claims reported	₱27,478,489	₱6,475,792	₱21,002,697	₱19,911,655	₱5,424,100	₱14,487,555
Provision for claims IBNR	105,920,463	51,578,460	54,342,003	80,083,121	42,948,195	37,134,926
	133,398,952	58,054,252	75,344,700	99,994,776	48,372,295	51,622,481
Provision for unearned premiums	673,387,009	125,314,165	548,072,844	492,442,232	49,306,491	443,135,741
	₱806,785,961	₱183,368,417	₱623,417,544	₱592,437,008	₱97,678,786	₱494,758,222

The analysis of total provision for claims reported follows:

	2023			2022		
	Insurance Contract Liabilities	Reinsurers' Share of Liabilities (Note 9)	Net	Insurance Contract Liabilities	Reinsurers' Share of Liabilities (Note 9)	Net
At January 1	₱99,994,776	₱48,372,295	₱51,622,481	₱58,973,860	₱12,645,832	₱46,328,028
Claims incurred during the year	379,137,102	15,092,713	364,044,389	316,750,840	50,071,401	266,679,439
Claims paid during the year	(371,570,268)	(14,041,021)	(357,529,247)	(325,878,629)	(50,680,275)	(275,198,354)
Increase in claims IBNR	(371,570,268)	(14,041,021)	(357,529,247)	(325,878,629)	(50,680,275)	(275,198,354)
(Note 20)	25,837,342	8,630,265	17,207,077	50,148,705	36,335,337	13,813,368
At December 31	₱133,398,952	₱58,054,252	₱75,344,700	₱99,994,776	₱48,372,295	₱51,622,481

The provision for unearned premiums may be analyzed as follows:

	2023			2022		
	Provision for Unearned Premiums	Reinsurers' Share of Liabilities (Note 9)	Net	Provision for Unearned Premiums	Reinsurers' Share of Liabilities (Note 9)	Net
At January 1	₱492,442,232	₱49,306,491	₱443,135,741	₱412,357,683	₱56,539,917	₱355,817,766
New policies written during the year (Note 18)	1,532,293,337	282,211,163	1,250,082,174	1,106,561,615	70,513,584	1,036,048,031
Premiums earned during the year (Note 18)	(1,351,348,560)	(206,203,489)	(1,145,145,071)	(1,026,477,066)	(77,747,010)	(948,730,056)
At December 31	₱673,387,009	₱125,314,165	₱548,072,844	₱492,442,232	₱49,306,491	₱443,135,741

14. Net Pension Asset

The Company has a non-contributory defined benefit plan covering all regular employees and which requires contributions to be made to a separately administered retirement fund. Benefits are based on the employee's years of service and final plan salary. The Board of Trustees of the plan is responsible for setting investment strategies. The Retirement Plan is considered a "reasonable private benefit plan" within the contemplation of Republic Act No. 4917.

The retirement plan of the Company is being administered by CARD Pioneer Microinsurance Inc. Staff Retirement Benefit Plan which was established on March 9, 2020.

The retirement benefit expense recognized in profit or loss is as follows (see Note 21):

	2023	2022
Current service cost	₱1,573,369	₱1,654,375
Interest income - net	(791,877)	(293,146)
Net transferred obligation	86,394	(934,988)
	₱867,886	₱426,241

In 2023, the Company acquired one employee from Pioneer Insurance & Surety Corporation. The affiliated companies agreed that there will be no break in service due to the transfer and that the liabilities pertaining to these employees will be transferred with no corresponding asset transfers. The net transferred obligation is reflected as addition to the retirement expense.

In 2022, the Company transferred twenty-two employees to Pioneer Life Inc. The affiliated companies agreed that there will be no break in service due to the transfer and that the liabilities pertaining to these employees will be transferred with no corresponding asset transfers. The net transferred obligation is reflected as a reduction from the retirement expense.

The amounts recognized in the statements of financial position are as follows:

	2023	2022
Present value of defined benefit obligation	₱13,585,664	₱7,382,698
Fair value of plan assets	(16,433,165)	(15,433,305)
Net pension asset	(₱2,847,501)	(₱8,050,607)

Changes in the present value of the defined benefit obligation are as follows:

	2023	2022
At January 1	₱7,382,698	₱7,707,117
Current service cost	1,573,369	1,654,375
Interest cost	540,675	398,505
Actuarial (gain) loss	4,002,528	(1,442,311)
Net transferred obligation	86,394	(934,988)
At December 31	₱13,585,664	₱7,382,698

Changes in fair value of the plan assets are as follow:

	2023	2022
At January 1	₱15,433,305	₱11,085,845
Contributions	56,000	4,010,000
Interest income	1,332,552	691,651
Actuarial loss on plan assets	(388,692)	(354,191)
At December 31	₱16,433,165	₱15,433,305

The movements in the net pension asset recognized in the statements of financial position are as follows:

	2023	2022
At January 1	(₱8,050,607)	(₱3,378,728)
Pension expense	867,886	426,241
Contributions	(56,000)	(4,010,000)
Amount to be recognized in OCI	4,391,220	(1,088,120)
At December 31	(₱2,847,501)	(8,050,607)

The remeasurements recognized in other comprehensive income are as follows:

	2023	2022
Actuarial gain (loss) due to:		
Change in financial assumptions	(₱2,968,470)	₱1,069,176
Experience adjustments	(1,034,058)	373,135
Return on plan assets	(388,692)	(354,191)
	(₱4,391,220)	₱1,088,120

The rollforward analysis of other comprehensive income follows:

	2023	2022
At January 1, net of tax effect	₱1,684,592	₱868,502
Experience adjustments	(1,034,058)	373,135
Change in financial assumptions	(2,968,470)	1,069,176
Losses on return on plan assets	(388,692)	(354,191)
At December 31, gross of consequential income tax impact	(2,706,628)	1,956,622
Income tax effect	1,097,805	(272,030)
Balance at the end of year	(₱1,608,823)	₱1,684,592

Plan assets consist of:

	2023	2022
Cash and cash equivalents	₱16,412,477	₱15,435,963
Accrued interest receivable	78,900	42,342
Accounts payable	(58,212)	(45,000)
Total plan assets	₱16,433,165	₱15,433,305

The principal assumptions used in determining pensions for the Company's plan as of January 1 are shown below:

	2023	2022
Discount rate	6.18%	7.40%
Expected return on plan assets*	6.00%	2.14%
Rate of salary increase	7.50%	7.50%
Average future working lives (in years)	11	11
Mortality rate	2017 Philippine Intercompany Mortality Table	2017 Philippine Intercompany Mortality Table
Disability rate	1952 Disability Study, Period 2, Benefit 5	1952 Disability Study, Period 2, Benefit 5

The discount rate as of December 31, 2023 is 6.18%. The latest actuarial valuation report of the Company is as of December 31, 2023.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of December 31, 2023 and 2022, assuming all other assumptions were held constant. The impacts on present value of defined benefit obligation follow:

	Rate	Increase (decrease)	
		2023	2022
Discount rates	+1%	(₱2,483,230)	(₱1,336,033)
	-1%	3,150,286	1,697,659
Future salary increases	+1%	3,154,090	1,721,623
	-1%	(2,529,808)	(1,375,019)

The maturity analysis of the undiscounted benefit payments follows:

	2023	2022
Less than 1 year	₱198,977	₱152,545
1 year to less than 5 years	862,945	651,249
5 years to less than 10 years	1,594,209	1,060,641
10 years to less than 15 years	5,000,734	3,479,547
15 years to less than 20 years	28,591,073	12,343,815
More than 20 years	290,266,023	238,919,931

15. Insurance Payables

This account consists of:

	2023	2022
Due to reinsurers	₱29,335,276	₱40,657,550
Funds held for reinsurers	125,464,168	–
	₱154,799,444	₱40,657,550

The rollforward analysis of insurance payables follows:

	Due to Reinsurers	Funds Held for Reinsurers	Total
At January 1, 2022	₱55,155,210	₱1,161,257	₱56,316,467
Arising during the year (Note 13)	70,513,584	–	70,513,584
Paid during the year	(85,011,244)	(1,161,257)	(86,172,501)
At December 31, 2022	40,657,550	–	40,657,550
Arising during the year (Note 13)	282,211,163	177,398,908	309,926,477
Paid during the year	(293,533,437)	(51,934,740)	(195,784,583)
At December 31, 2023	₱29,335,276	₱125,464,168	₱154,799,444

Due to reinsurers represents premiums payable on treaty and facultative reinsurance contracts. These are non-interest-bearing and are generally settled within one year.

Funds held for reinsurers pertain to the retention of a certain percentage of the reinsurer's share of premium. This is to protect the Company from risks associated with collections of reinsurance recoverable on paid losses.

16. Accounts Payable and Accrued Expenses

This account consists of:

	2023	2022
Accounts payable	₱104,675,583	₱97,409,526
Due to related parties (Note 23)	55,392,740	41,305,860
Taxes payable	17,574,934	11,584,706
Accrued expenses	13,295,333	12,170,530
Commissions payable	7,277,700	5,211,383
Others	151,335	124,505
	₱198,367,625	₱167,806,510

Accounts payable consist mostly of advance payments from clients.

Taxes payable consist of business tax, fire service tax, VAT and withholding taxes. These are subsequently remitted within one month after the reporting date.

Accrued expenses include professional fees of auditors and productivity incentives granted to the Company's employees except those under contractual employment, and other expenses accrued as of reporting date. Productivity incentives are due on the 15th of May every year.

Commissions payable represent unpaid commissions to agents arising from policy issuances. These are non-interest bearing and are generally payable within thirty (30) days. Commission rates vary depending on the product line and coverage of the policy.

Other payables pertain to amounts due to government agencies for loans availed by employees.

17. Equity

Capital Stock

As of December 31, 2023 and 2022, this account consists of:

	Shares	Amount
Common shares - ₱100 par value		
Authorized, issued and outstanding	6,250,000	₱625,000,000

On April 7, 2022, the BOD approved the declaration of cash dividends amounting to P78,604,645 or P12.57674 per share out of the unappropriated retained earnings of the Company in favor to stockholders of record as of December 31, 2021. The Company fully paid the said dividends on April 28, 2022.

On April 5, 2023, the BOD approved the declaration of cash dividends amounting to ₱54,656,250 or ₱8.7450 per share out of the unappropriated retained earnings of the Company in favor to stockholders of record as of December 31, 2021. The Company fully paid the said dividends on April 28, 2023.

On November 22, 2023, the BOD further approved the declaration of cash dividends amounting to ₱78,125,000 or ₱12.50 per share out of the unappropriated retained earnings of the Company in favor to stockholders of record as of December 31, 2022. The Company fully paid the said dividends on November 30, 2023.

18. Net Earned Premiums

Net earned premiums on insurance contracts are as follows:

	2023	2022
Gross premiums written:		
Direct	₱1,386,014,613	₱982,289,611
Assumed	146,278,724	124,272,004

(Forward)

	2023	2022
Total gross premiums written (Note 13)	₱1,532,293,337	₱1,106,561,615
Gross change in provision for unearned premiums (Note 13)	(180,944,777)	(80,084,549)
Total gross earned premiums	1,351,348,560	1,026,477,066
Reinsurers' share of gross premiums on direct insurance (Note 13)	282,211,163	70,513,584
Reinsurers' share of change in provision for unearned premiums (Note 13)	(76,007,674)	7,233,426
Total reinsurers' share of gross earned premiums	206,203,489	77,747,010
	₱1,145,145,071	₱948,730,056

19. Investment Income - net

This account consists of:

	2023	2022
Interest income on:		
Investment securities at amortized cost (Note 6)	₱108,017,512	₱66,024,342
Cash and cash equivalents (Note 4)	38,935,598	18,373,480
Financial assets at FVTPL (Note 6)	6,382,955	3,379,685
Funds held by ceding companies (Note 5)	407,758	111,011
Chattel mortgage loans (Note 12)	86,909	80,435
Fair value gain (loss) on financial assets at FVTPL	1,672,450	(3,074,280)
Loss from maturities of financial asset assets at FVTPL	-	(1,462,986)
	₱155,503,182	₱83,431,687

20. Net Insurance Benefits and Claims

Gross insurance contract benefits and claims paid follow:

	2023	2022
Direct	₱324,646,132	₱258,402,100
Assumed	46,924,136	67,476,529
	₱371,570,268	₱325,878,629

Reinsurers' share of insurance contract benefits and claims paid consist of the following:

	2023	2022
Reinsurers' share of insurance contract benefits and claims paid (Note 13):		
Direct	₱14,041,021	₱50,680,275

Gross change in insurance contract benefits and claims liabilities follow:

	2023	2022
Change in provision for claims reported and loss adjustment expenses (Note 13)		
Direct	₱-	(₱20,116,535)
Assumed	7,566,834	10,988,745
Change in provision for claims IBNR (Note 13)	25,837,342	50,148,706
	₱33,404,176	₱41,020,916

Reinsurers' share of change in insurance contract benefits and claims liabilities follow:

	2023	2022
Reinsurers' share of change in insurance provision for claims reported and loss adjustment expenses (Note 13)	₱1,051,692	(₱608,874)
Reinsurer's share of change in provision for claims IBNR (Note 13)	8,630,265	36,335,337
	₱9,681,957	₱35,726,463

21. General Expenses

This account consists of:

	2023	2022
Business development	₱161,589,262	₱114,273,111
Salaries, allowances and benefits	94,194,060	82,950,215
Transportation and travel	33,807,865	14,643,577
Underwriting and service fees	20,177,490	20,586,643
Office supplies, printing and stationery	16,568,514	11,546,973
Other tax expense	16,093,683	10,231,105
Rent expense (Note 24)	6,585,283	5,183,647
Repairs and maintenance	5,915,836	2,082,424
Communication, light and water	4,665,955	3,514,949
Depreciation and amortization (Notes 11 and 24)	4,210,168	2,956,083
Representation and entertainment	1,751,073	692,828
Professional and director's fees	1,594,750	1,632,763
Association dues	1,157,420	1,115,965
Taxes and licenses	1,172,897	667,432
Retirement benefit expense (Note 14)	867,886	426,241
Advertising	859,216	2,421,437
Training	483,996	497,610
Janitorial and contractual services	362,273	755,438
Interest expense on lease liabilities (Note 24)	244,089	97,594
Donation and charitable contributions	-	12,244,898
Miscellaneous expenses	14,007,108	12,331,599
	₱386,308,824	₱300,852,532

Service awards expense included under "Salaries, allowances and benefits" amounted to ₱515,495 and ₱65,299 was recognized in 2023 and 2022, respectively. Actuarial loss/(gain) on service award benefit of employees amounted to ₱48,592 and (₱119,484) in 2023 and 2022, respectively.

22. Income Tax

The provision for income tax consists of:

	2023	2022
RCIT	₱82,803,108	₱87,111,648
Final	31,676,800	20,593,924
Deferred	(4,937,245)	(1,728,044)
	₱109,542,663	₱105,977,528

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

Consequently, the Company computed MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023. Any excess of the MCIT over the RCIT is deferred and can be used as a tax credit against future income tax liability for the next three years.

Deferred tax

The components of recognized deferred tax assets and deferred tax liabilities follow:

	2023	2022
Deferred tax assets:		
<i>Affecting profit and loss:</i>		
Provision for IBNR	₱13,585,501	₱9,283,732
Accrued and other expenses	3,056,860	2,841,354
Lease liabilities	1,868,126	1,038,503
Unamortized past service cost	1,176,808	1,364,463
Unrealized foreign currency exchange loss	370,224	-
Pension liability	255,822	62,056
Allowance for impairment loss	61,938	61,938
<i>Affecting other comprehensive income:</i>		
Remeasurement loss on defined benefit obligation	1,097,805	-
	21,473,084	14,652,046
Deferred tax liability:		
<i>Affecting profit and loss:</i>		
Unrealized foreign currency exchange gain	6,153,166	5,921,806
Right of use assets	1,819,101	992,442
<i>Affecting other comprehensive income:</i>		
Remeasurement gain on defined benefit obligation	-	272,030
	7,972,267	7,186,278
	₱13,500,817	₱7,465,768

The Company has no unrecognized deferred tax assets as of December 31, 2023 and 2022.

The reconciliation of provision for income tax computed at statutory income tax rate to the provision for income tax reported in the statements of income follows:

	2023	2022
Statutory income tax	₱116,249,477	₱104,574,043
Add (deduct) the tax effects of:		
Interest income subject to final tax	(6,759,156)	(1,378,205)
Fair value loss on financial asset at FVTPL	(418,113)	768,570
Non-deductible expenses	470,455	2,013,120
Provision for income tax	₱109,542,663	₱105,977,528

23. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

Transactions with related parties are made at normal market prices. Outstanding balances as of year-end are unsecured, interest free and settled in cash. There have been no guarantees provided or received for any related party receivables or payables. For the years ended December 31, 2023 and 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

Significant related party transactions are summarized below:

		2023			
Category	Note	Volume	Outstanding balance	Terms	Conditions
PISC - Parent Company					
Due from ceding company (Note 5)	(a)	₱84,096,820	₱42,524,256	Non-interest-bearing, due and demandable	Unsecured, not impaired
Funds held by ceding company (Note 5)	(a)	9,481,733	8,619,975	Non-interest-bearing, due and demandable	Unsecured, not impaired
Reinsurance recoverable on paid losses (Note 5)	(a)	–	1,007,910	Non-interest-bearing, due and demandable	Unsecured, not impaired
Due to reinsurer (Note 15)	(a)	61,039,854	937,434	Non-interest-bearing, due and demandable	Unsecured
Funds held for reinsurer (Note 15)	(a)	67,784,084	107,700,713	Non-interest-bearing, due and demandable	Unsecured
Claims payable (Note 13)	(a)	45,250,309	14,715,842	Non-interest-bearing, due and demandable	Unsecured
Rent expense (Note 24)	(b)	1,297,855	–		
Entities under common control					
PLI					
Due to related party (Note 16)	(c)	564,806,307	54,853,990	Non-interest-bearing, due and demandable	Unsecured
(Forward)					

(Forward)

2023					
Category	Note	Volume	Outstanding balance	Terms	Conditions
<i>PIIC</i>					
Due from ceding company (Note 5)	(a)	₱3,039,728	₱1,770,819	Non-interest-bearing, due and demandable	Unsecured, not impaired
Funds held by ceding company (Note 5)	(a)	12,610,181	6,536,011	Non-interest-bearing, due and demandable	Unsecured, not impaired
Claims payable (Note 13)	(a)	–	6,286,855	Non-interest-bearing, due and demandable	Unsecured
<i>CAMIA</i>					
Commission payable (Note 16)	(d)	60,361,544	7,099,017	Non-interest-bearing, due and demandable	Unsecured
<i>MPH</i>					
Due from ceding company (Note 5)	(a)	507,047	431,899	Non-interest-bearing, due and demandable	Unsecured, not impaired
<i>BotiCARD</i>					
Due to related party (Note 16)	(c)	7,988,018	538,750	Non-interest-bearing, due and demandable	Unsecured
2022					
Category	Note	Volume	Outstanding balance	Terms	Conditions
<i>PISC - Parent Company</i>					
Due from ceding company (Note 5)	(a)	₱70,517,760	₱20,956,345	Non-interest-bearing, due and demandable	Unsecured, not impaired
Funds held by ceding company (Note 5)	(a)	9,698,134	10,318,398	Non-interest-bearing, due and demandable	Unsecured, not impaired
Reinsurance recoverable on paid losses (Note 5)	(a)	–	1,011,030	Non-interest-bearing, due and demandable	Unsecured, not impaired
Due to reinsurer (Note 15)	(a)	1,669,436	–	Non-interest-bearing, due and demandable	Unsecured
Claims payable (Note 13)	(a)	59,884,284	7,614,624	Non-interest-bearing, due and demandable	Unsecured
Due to related party (Note 16)	(d)	192,742	192,742	Non-interest-bearing, due and demandable	Unsecured
Rent expense (Note 24)	(b)	1,374,012	–		
Entities under common control					
<i>PLI</i>					
Due to related party (Note 16)	(c)	225,124,890	39,624,522	Non-interest-bearing, due and demandable	Unsecured
<i>PIIC</i>					
Due from ceding company (Note 5)	(a)	4,405,367	1,431,269	Non-interest-bearing, due and demandable	Unsecured, not impaired
Funds held by ceding company (Note 5)	(a)	10,185,342	5,235,398	Non-interest-bearing, due and demandable	Unsecured, not impaired
Claims payable (Note 13)	(a)	3,888,594	6,872,931	Non-interest-bearing, due and demandable	Unsecured
<i>CAMIA</i>					
Commission payable (Note 16)	(d)	40,075,174	5,040,926	Non-interest-bearing, due and demandable	Unsecured
Due from related party (Note 12)	(d)	484,737	484,737	Non-interest-bearing, due and demandable	Unsecured, not impaired
<i>CARD MBA</i>					
Due from related party (Note 12)	(d)	–	923,346	Non-interest-bearing, due and demandable	Unsecured, not impaired

(Forward)

2022					
Category	Note	Volume	Outstanding balance	Terms	Conditions
<i>MPH</i>					
Due from ceding company (Note 5)	(a)	₱4,359,837	₱1,217,878	Non-interest-bearing, due and demandable	Unsecured, not impaired
<i>BotiCARD</i>					
Due to related party (Note 16)	(c)	8,277,138	1,488,596	Non-interest-bearing, due and demandable	Unsecured

The Company's related party transactions pertain to the following:

- In the ordinary course of business, the Company accepts and cedes insurance business under various reinsurance contracts with PISC, PIIC and MPH. Amounts of due to and due from PISC, PIIC and MPH are the outstanding insurance balances related to these acceptances and cessions.
- The Company has a lease contract with PISC on the lease of its office space, which is renewable annually (see Note 24).
- The Company has net payable to PLI which represent share on the premium payment and accommodations for claim payments.
- The Company has receivables from (payables to) CAMIA and CARD MBA which represent reimbursement of expenses.
- The Company has payable to BotiCARD which represent share on the premium payment.
- Key management personnel of the Company include all personnel having a position of Assistant Vice President and above. The summary of compensation of key management personnel is shown below:

	2023	2022
Salaries and other short-term employee benefits	₱3,489,680	₱1,766,547
Post-employment and other long-term benefits	(41,219)	82,949
	₱3,448,461	₱1,849,496

24. Lease

Company as a lessee

The Company has lease contracts for various items office spaces used in its operations. Leases of office spaces generally have lease terms between 2 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Company also has certain leases of office spaces with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

The rollforward analysis of ROU assets as of December 31, 2023 and 2022 follows:

	2023	2022
Cost		
At January 1	₱5,947,889	₱1,559,057
Additions	6,171,375	4,388,832
Terminated	(1,578,043)	-
At December 31	10,541,221	5,947,889
Accumulated Depreciation		
At January 1	1,978,122	870,193
Depreciation	2,573,328	1,107,929
Terminated	(1,286,632)	-
At December 31	3,264,818	1,978,122
Net Book Value	₱7,276,403	₱3,969,767

The rollforward analysis of lease liabilities as of December 31, 2023 and 2022 follows:

	2023	2022
As at January 1	₱4,154,012	₱742,797
Additions	6,171,375	4,388,831
Interest expense	244,089	97,594
Payments	(2,805,561)	(1,075,210)
Terminated	(291,411)	-
As at December 31	₱7,472,504	₱4,154,012

Terminated contracts pertain to office spaces no longer renewed after the end of the lease term.

The following are the amounts recognized in the 2023 and 2022 statements of income:

	2023	2022
Rent expense related to short term leases	₱6,585,283	₱5,183,647
Depreciation expense of right-of-use assets	2,573,328	1,107,929
Interest expense on lease liabilities	244,089	97,594
Total amount recognized in statements of income (Note 21)	₱9,402,700	₱6,389,170

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

	2023	2022
1 year	₱3,773,256	₱1,902,633
more than 1 year to 2 years	2,398,821	1,444,251
more than 2 years to 3 years	1,020,710	513,539
more than 3 years to 4 years	516,873	499,320
more than 4 years to 5 years	297,881	41,610
	₱8,007,541	₱4,401,353

Future lease payments within one year for short-term leases amounts to ₱2,163,832.

25. Capital Management

The Company maintains a certain level of capital to ensure sufficient solvency margins and to adequately protect the policyholders. The level of capital maintained is usually higher than the minimum capital requirements set by the regulators and the amount computed under the Risk-Based Capital (RBC) Model.

To ensure compliance with these externally imposed capital requirements, it is the Company's policy to monitor the paid-up capital, net worth and RBC requirements on a quarterly basis as part of the Company's internal financial reporting process.

As of December 31, 2023 and 2022, the Company fully complied with the externally imposed capital requirements during the reported financial periods. These are the fixed capitalization requirement and RBC requirement.

Fixed Capitalization Requirements

On January 13, 2015, the IC issued Circular Letter (CL) No. 2015-02-A clarifying the minimum capitalization and net worth requirements of new and existing insurance companies in the Philippines. Based on the said CL, all domestic life and non-life insurance companies duly licensed by the IC must have a net worth of at least ₱550,000,000 by December 31, 2016.

The minimum net worth of the said companies shall remain unimpaired at all times and shall increase to the amounts as follows:

Minimum Net worth	Compliance Date
₱550,000,000	December 31, 2016
900,000,000	December 31, 2019
1,300,000,000	December 31, 2022

As of December 31, 2023 and 2022, the Company has complied with the minimum net worth requirement with an estimated net worth of ₱2,478,535,200 and actual net worth of ₱2,222,614,764, respectively.

RBC Requirements

For purposes of the December 31, 2023 and 2022 financial reporting, the Company determined its compliance with the RBC requirements of the IC based on the provisions of CL No. 2016-68. This circular provides RBC frameworks for nonlife insurance companies in order to establish the required amounts of capital to be maintained by the companies in relation to their investment and insurance risks. Every nonlife insurance company is annually required to maintain a minimum required RBC ratio of 100% and not fail the trend test. Failure to meet the minimum RBC ratio shall subject the nonlife insurance company to the corresponding regulatory intervention which has been defined at various levels.

If the Company failed to meet the minimum required statutory net worth and RBC requirements, the IC is authorized to suspend or revoke all certificates of authority granted to the Company, its officers and agents, and no new business shall be borne by and for the Company until its authority is restored by the IC.

Pursuant to IC CL No. 2017-15, *Regulatory Requirements and Actions for the New Regulatory Framework*, effective January 1, 2017, nonlife insurance companies are required to maintain minimum RBC2 requirement as prescribed under IC CL No. 2016-68. Under the RBC2 Framework, the RBC ratio shall be calculated as total available capital divided by the RBC2 requirement.

The following table shows the estimated RBC ratio as of December 31, 2023 and actual RBC ratio as of December 31, 2022 as determined by the Company based on the RBC2 Framework:

	2023 (Estimate)	2022 (Actual)
Total available capital	₱2,453,120,017	₱2,244,887,924
RBC2 requirement	345,283,839	318,306,358
RBC2 ratio	710%	705%

Based on the 2022 result of IC examination, the Company was able to comply with the minimum RBC2 and net worth requirements. The final amount of the 2023 RBC ratio can only be determined after the accounts of the Company have been examined by the IC.

The total available capital shall be the aggregate of Tier 1 and Tier 2 capital minus deductions, subject to applicable limits and determinations. Tier 1 capital represents capital that is fully available to cover losses of the insurer at all times on a going-concern and winding up basis. This capital is considered to be the highest quality capital available to the insurer. Tier 2 Capital does not have the same high quality characteristics of Tier 1 capital, but can provide an additional buffer to the insurer. Tier 2 capital shall not exceed 50% of Tier 1 Capital.

The RBC requirement shall be the capital that is required to be held appropriately to the risks an insurance company is exposed to, computed using the formula as prescribed under IC CL No. 2016-68.

Financial Reporting Framework

IC CL No. 2016-65, *Financial Reporting Framework under Section 189 of the Amended Insurance Code*, prescribes the new financial reporting framework (FRF) that will be used for the statutory quarterly and annual reporting. This also includes rules and regulations concerning Titles III and IV of Chapter III of the Amended Insurance Code and all other accounts not discussed in the Amended Insurance Code but are used in accounting of insurance and reinsurance companies.

IC CL No. 2018-18, *Valuation Standards for Nonlife Insurance Policy Reserves*, prescribes valuation methodology for the nonlife insurance companies. In addition to the unearned premium reserves, the concept of unexpired risk reserves is also included in the calculation of the premium liability. The IBNR claims reserves are computed using actuarial projection techniques such as but not limited to the Chain ladder method, Expected loss ratio method and Bornheutter-Ferguson method. A margin for adverse deviation is computed at least on an annual basis based on standard projections techniques, such as but not limited to the Mack method, Bootstrapping method, Stochastic Chain Ladder method to bring the actuarial estimate of Policy Liabilities at the 75th percentile level of sufficiency and shall be incorporated on both premiums and claims liability valuation. Discount rates to be used shall be based on the latest PDST-R2 rates and the Bloomberg IYC Curve for PhP and USD-denominated policies, respectively.

Unexpired Risk Reserves (URR) refers to the amount of reserve required to cover future claims, commission and expenses at a designated level of confidence, that are expected to emerge from an unexpired period of cover. The premiums liabilities shall be determined in accordance with the

valuation standards prescribed under IC CL No. 2018-18 which is the higher between the UPR and URR.

On March 9, 2018, the IC issued CL No. 2018-19, *Amendment to Circular Letter No.2016-69 "Implementation Requirements for Financial Reporting, Valuation Standards for Insurance Policy Reserves and Amended Risk-based Capital (RBC2) Framework"*, which provides that item 3c *Margin for Adverse Deviation* (MfAD) of said circular is hereby amended as follows:

Companies shall be allowed to set the MfAD as follows:

Period Covered	Percentage (%) of company-specific MfAD
2017	0%
2018	50%
2019 onwards	100%

The Company complied with the aforementioned regulation and reflected ₱19,923,464 and ₱14,838,122 MfAD in the 2023 and 2022 statements of income, respectively. The Company used 100% in 2023 and 2022 of the company-specific MfAD.

26. Management of Insurance and Financial Risks

Insurance Risk

The risk under insurance contract is the possibility of occurrence of insured event and uncertainty of the amount and timing of the resulting claim. The principal risk the Company faces under such contracts is that the actual claims and benefit payments exceed the carrying amount of insurance liabilities. This is influenced by the frequency of claims, severity of claims and actual benefits paid are greater than originally estimated.

The variability of risks is improved by diversification of risk of loss to a large portfolio of insurance contracts as a more diversified portfolio is less likely to be affected across the board by change in any subset of the portfolio. The variability of risks can also be improved by careful selection and implementation of underwriting strategy and guidelines.

The majority of reinsurance business ceded is placed on a quota share basis with retention limits. Amounts recoverable from reinsurers are estimated in a manner consistent with the assumptions used for ascertaining the underlying policy benefits and are presented in the statements of financial position as reinsurance assets.

Although the Company has reinsurance agreements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurers is unable to meet its obligations assumed under such reinsurance agreements.

The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract.

The business of the Company mainly comprises of short-term nonlife insurance contracts.

The Company principally issues the following types of general insurance contracts: fire, engineering, marine, motor car, personal accident and miscellaneous casualty.

The table below sets out the concentration of the claims liabilities by type of contract (see Note 13).

	2023		
	Gross Claims Liabilities	Reinsurers' Share of Claims Liabilities	Net
Accident	₱95,925,158	₱57,161,173	₱38,763,985
General accident	28,144,957	515,321	27,629,636
Motor	3,527,724	12,721	3,515,003
Engineering	3,113,234	81,286	3,031,948
Fire	2,154,279	250,111	1,904,168
Marine cargo	330,600	33,640	296,960
Aviation	203,000	—	203,000
	₱133,398,952	₱58,054,252	₱75,344,700

	2022		
	Gross Claims Liabilities	Reinsurers' Share of Claims Liabilities	Net
Accident	₱69,334,333	₱46,554,854	₱22,779,479
General accident	19,591,239	946,712	18,644,527
Fire	4,901,100	250,235	4,650,865
Motor	3,000,567	353,233	2,647,334
Engineering	2,417,017	219,701	2,197,316
Marine cargo	465,160	47,560	417,600
Aviation	285,361	—	285,361
	₱99,994,777	₱48,372,295	₱51,622,482

Key assumptions

The principal assumption underlying the estimates is the Company's past claims development experience. This includes assumptions in respect of average claim costs, claims handling costs, claims inflation factors and number of claims for each accident year. Judgment is used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Other key assumptions include variations in interest, delays in settlement and changes in foreign currency rates.

Sensitivities

The insurance claims provision is sensitive to the above key assumptions. Because of delays that arise between occurrence of a claim and its subsequent notification and eventual settlement, the outstanding claim provisions are not known with certainty at the reporting dates.

The analysis in the next page is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities and income before income tax. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are nonlinear.

	2023			
	Change in Assumptions	Impact on Gross Insurance Contract Liabilities	Impact on Net Insurance Contract Liabilities	Impact on Income Before Income Tax
Average claim costs	+ 10%	₱38,768,339	₱36,775,092	(₱36,775,092)
Average number of claims	+ 10%	33,757,610	32,021,986	(32,021,986)

	2022			
	Change in Assumptions	Impact on Gross Insurance Contract Liabilities	Impact on Net Insurance Contract Liabilities	Impact on Income Before Income Tax
Average claim costs	+ 10%	₱32,524,503	₱27,247,411	(₱27,247,411)
Average number of claims	+ 10%	32,529,611	29,764,942	(29,764,942)

Average claim costs and number of claims used for valuation are selected with consideration for statutory requirements, as specified in the Code.

The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

Claims development table

The following tables reflect the cumulative incurred claims, including both claims notified and claim IBNR, for each successive accident year at each statement of financial position date, together with cumulative payment to date.

Accident year	Gross Insurance Contract Liabilities for 2023					
	2019 and Prior Years	2020	2021	2022	2023	Total
Estimate of ultimate claim costs						
At the end of accident year	₱943,232,373	₱251,930,534	₱185,330,778	₱366,899,545	₱404,974,444	₱404,974,444
One year later	943,232,373	251,930,534	185,330,778	366,899,545	—	366,899,545
Two years later	943,232,373	251,930,534	185,330,778	—	—	185,330,778
Three years later	943,232,373	251,930,534	—	—	—	251,930,534
Four years later	943,561,327	—	—	—	—	943,561,327
Current estimate of cumulative claims	943,561,327	251,930,534	185,330,778	366,899,545	404,974,444	2,152,696,628
Cumulative payments to date	745,161,685	338,551,130	238,135,964	325,878,629	371,570,268	2,019,297,676
Liability recognized in the statements of financial position	₱198,399,642	(₱86,620,596)	(₱52,805,186)	₱41,020,916	₱33,404,176	₱133,398,952

Accident year	Net Insurance Contract Liabilities for 2023					
	2019 and Prior Years	2020	2021	2022	2023	Total
Estimate of ultimate claim costs						
At the end of accident year	₱686,180,396	₱79,938,465	₱164,700,811	₱280,492,807	₱381,251,466	₱381,251,466
One year later	686,180,396	79,938,465	164,700,811	280,492,807	—	280,492,807
Two years later	686,180,396	79,938,465	164,700,811	—	—	164,700,811
Three years later	686,180,396	79,938,465	—	—	—	79,938,465
Four years later	686,410,902	—	—	—	—	686,410,902
Current estimate of cumulative claims	686,410,902	79,938,465	164,700,811	280,492,807	381,251,466	1,592,794,451
Cumulative payments to date	596,693,576	121,064,321	166,964,253	275,198,354	357,529,247	1,517,449,751
Liability recognized in the statements of financial position	₱89,717,326	(₱41,125,856)	(₱2,263,442)	₱5,294,453	₱23,722,219	₱75,344,700

Governance Framework

The Company has established a risk management function with clear terms of reference and with the responsibility for developing group wide policies on credit, liquidity and market risk. It also supports the effective implementation of policies at the overall group and the individual business unit levels.

The policies define the Company's identification of risk and its interpretation, its limit structure to ensure the appropriate quality and diversification of assets, the alignment of underwriting and reinsurance strategy to the corporate goals and the specification of reporting requirements.

Fair Value of Financial Instruments

Due to short-term nature of cash and cash equivalents, insurance receivables, interest receivable, insurance payables, and trade and other payables, the carrying values reasonably approximate fair value as of the reporting date. The fair values of financial assets at FVTPL, categorized as Level 1, were determined using quoted market prices.

Due to the long-term nature of the investment securities at amortized cost and HTM investments, their carrying value differs from fair value. The fair value of Investment securities at amortized cost and HTM investments, categorized as Level 1, are based on the quoted market prices at the end of the reporting date. The fair value of investment securities at amortized cost amounted to ₱2,446,883,667 and ₱1,997,320,253 as of December 31, 2023 and 2022, respectively.

As of December 31, 2023 and 2022, the Company classifies all of its quoted financial assets under Level 1 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurement.

Financial Risk

The Company is exposed to financial risk through its financial assets and financial liabilities, particularly, credit risk, liquidity risk and market risk (foreign exchange, interest rate, and equity price risks). The Company's risk management policies and practices are documented in the subsequent paragraphs.

Credit risk

Credit risk is the risk that the Company will incur a loss arising from its counterparties that fail to discharge their contractual obligations.

Prior to extending credit, the Company manages its credit risk by assessing the credit quality of its counterparty. The Company has a credit policy group that reviews all information about the counterparty which may include its statements of financial position, statements of income, statements of comprehensive income and other market information and implements the internal rating system of the Company. The nature of the obligation is likewise considered. Based on this analysis, the credit analyst assigns the counterparty a credit rating to determine whether or not credit may be provided.

Credit risk limit is also used to manage credit exposure, which specifies credit limit for each intermediary depending on the size of its portfolio, and its ability to meet its obligation based on past experience. The Company did not have any significant concentration of credit risk with a single counterparty or group of counterparties, geographical and industry segments as of December 31, 2023 and 2022.

As of December 31, 2023 and 2022, the carrying values of the Company's financial instruments represent the maximum exposure to credit risk at reporting date.

The following table provides information regarding the credit risk exposure of the Company by classifying financial assets according to external (debt instruments, cash and cash equivalent) and internal (insurance receivables except reinsurance assets) credit ratings of the counterparties:

2023				
	Investment/High Grade	Below Investment Grade	Past Due or Impaired	Total
Cash and cash equivalents*	₱708,941,182	₱-	₱-	₱708,941,182
Insurance receivables**				
Premiums receivable	1,153,222	-	5,877,625	7,030,847
Due from ceding companies	39,513,058	-	9,036,378	48,549,436
Reinsurance recoverable on paid losses	-	-	1,049,065	1,049,065
Funds held by ceding companies	2,226,007	-	17,301,554	19,527,561
Financial assets at FVTPL				
Corporate debt securities	128,598,170	-	-	128,598,170
Investment securities at amortized cost				
Government debt securities	2,498,318,037	-	-	2,498,318,037
Interest receivable	26,446,743	-	-	26,446,743
	₱3,405,196,419	₱-	₱33,264,622	₱3,438,461,041

* Cash and cash equivalents exclude cash on hand.

**High grade based on internal rating

2022				
	Investment/High Grade	Below Investment Grade	Past Due or Impaired	Total
Cash and cash equivalents*	₱690,186,910	₱-	₱-	₱690,186,910
Insurance receivables**				
Premiums receivable	4,387,297	-	3,484,633	7,871,930
Due from ceding companies	15,487,937	-	9,994,496	25,482,433
Reinsurance recoverable on paid losses	16,565,550	-	2,987,702	19,553,252
Funds held by ceding companies	1,675,827	-	17,550,245	19,226,072
Financial assets at FVTPL				
Corporate debt securities	56,925,720	-	-	56,925,720
Investment securities at amortized cost				
Government debt securities	2,117,514,897	-	-	2,117,514,897
Interest receivable	21,243,542	-	-	21,243,542
	₱2,923,987,680	₱-	₱34,017,076	₱2,958,004,756

* Cash and cash equivalents exclude cash on hand.

**High grade based on internal rating

Impairment assessment

Investment grade financial assets are assets which have strong capacity to meet the Company's financial commitments and are unsusceptible to adverse effects of changes in economic conditions.

Below investment grade financial assets are assets which are vulnerable to impairment due to the assets' significant speculative characteristics. Adverse economic conditions will likely impair below investment grade financial assets.

Cash and cash equivalents and short-term investments

The credit risk for cash and cash equivalents and short-term investments is considered negligible or the probability of default from these reputable banks is remote since there has been no history of default from these counterparties and because of their high quality external credit ratings.

Cash in banks are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum coverage of ₱0.50 million per depositor per banking institution, as provided for under Republic Act (RA) No. 9576, Amendment to Charter of PDIC.

As of December 31, 2023 and 2022, impairment allowance on those financial assets is not material. Hence, the Company did not provide an ECL on such foregoing balances.

Insurance Receivables

The Company applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for insurance receivables (except reinsurance assets).

The expected loss rates on these receivables are determined based on the history of credit-impaired agent, broker and direct accounts. The Company analyzes insurance receivables based on the number of days the receivables have been outstanding. Insurance receivables that are outstanding for at least three (3) months or ninety (90) days are assessed for credit impairment.

The historical loss rates, which are expressed as the relationship between the credit-impaired accounts and the related recognized insurance receivables are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company assessed that the expected loss rates for insurance receivables are a reasonable approximation of the loss rates for these financial assets.

The Company considers premiums receivable as past due when it is outstanding for more than 90 days. Funds held by ceding companies, due from ceding companies, and reinsurance recoverable on paid losses are treated as past due when outstanding for more than 180 days.

The credit quality of the financial assets was determined as follows:

a. Cash and cash equivalents

These are classified as investment grade. These are deposited, placed or invested in local banks belonging to the top banks in the Philippines in terms of resources and profitability.

b. Insurance receivables

The Company uses a credit rating concept based on the borrower's overall credit worthiness. Investment grade is given to borrowers and counterparties having good standing in terms of credit and paying habits and their outstanding account balance does not exceed 30% of their total production. Below investment grade is given to borrowers and counterparties having low standing in terms of credit and paying habits and their outstanding balance exceeds 50% of their total production.

c. Debt securities

These are classified as investment grade. The government debt securities are issued by local government authority and are considered as risk-free debt securities.

	2023			
	Stage 1	Stage 2	Stage 3	Total
Insurance Receivables				
High Grade	P-	P38,263,830	P4,628,457	P42,892,287
Noninvestment Grade	-	-	-	-
Past Due or Impaired	-	-	33,264,622	33,264,622
	P-	P38,263,830	P37,893,079	P76,156,909
Financial Assets at FVTPL				
High Grade	P128,618,170	P-	P-	P128,618,170
Investment Securities at Amortized Cost				
High Grade	P2,498,318,037	P-	P-	P2,498,318,037

	2022			
	Stage 1	Stage 2	Stage 3	Total
Insurance Receivables				
High Grade	P-	P28,435,923	P9,680,687	P38,116,610
Noninvestment Grade	-	-	-	-
Past Due or Impaired	-	-	34,017,077	34,017,077
	P-	P28,435,923	P43,697,764	P72,133,687
Financial Assets at FVTPL				
High Grade	P56,945,720	P-	P-	P56,945,720
Investment Securities at Amortized Cost				
High Grade	P2,117,514,897	P-	P-	P2,117,514,897

Movements of insurance receivables and investment securities is as follows:

	2023			
	Stage 1	Stage 2	Stage 3	Total
Insurance Receivables				
Balance as of January 1, 2023	P-	P28,435,923	P43,697,764	P72,133,687
New assets originated	-	1,656,799,435	-	1,656,799,435
Assets derecognized or repaid	-	(1,618,535,605)	(34,240,608)	(1,652,776,213)
Transfers to Stage 3	-	(28,435,923)	28,435,923	-
Balance at December 31, 2023	P-	P38,263,830	P37,893,079	P76,156,909
Financial Assets at FVTPL				
Balance as of January 1, 2023	P56,945,720	P-	P-	P56,945,720
New assets originated	70,000,000	-	-	70,000,000
Assets derecognized or repaid	-	-	-	-
Foreign exchange adjustment	1,672,450	-	-	1,672,450
Balance at December 31, 2023	P128,618,170	P-	P-	P128,618,170
Investment Securities at Amortized Cost				
Balance as of January 1, 2023	P2,117,514,897	P-	P-	P2,117,514,897
New assets originated	421,548,398	-	-	421,548,398
Assets derecognized or repaid	(35,000,000)	-	-	(35,000,000)
Amortization	(5,745,258)	-	-	(5,745,258)
Balance at December 31, 2023	P2,498,318,037	P-	P-	P2,498,318,037

	2022			
	Stage 1	Stage 2	Stage 3	Total
Insurance Receivables				
Balance as of January 1, 2022	P-	P26,586,312	P25,500,314	P52,086,626
New assets originated	-	1,256,906,166	-	1,256,906,166
Assets derecognized or repaid	-	(1,228,470,243)	(8,388,862)	(1,236,859,105)
Transfers to Stage 3	-	(26,586,312)	26,586,312	-
Balance at December 31, 2022	P-	P28,435,923	P43,697,764	P72,133,687
Financial Assets at FVTPL				
Balance as of January 1, 2022	P40,027,986	P-	P-	P40,027,986
New assets originated	60,000,000	-	-	60,000,000
Assets derecognized or repaid	(40,007,986)	-	-	(40,007,986)
Foreign exchange adjustment	(3,074,280)	-	-	(3,074,280)
Balance at December 31, 2022	P56,945,720	P-	P-	P56,945,720
Investment Securities at Amortized Cost				
Balance as of January 1, 2022	P1,074,994,835	P-	P-	P1,074,994,835
New assets originated	1,113,936,971	-	-	1,113,936,971
Assets derecognized or repaid	(62,300,000)	-	-	(62,300,000)
Amortization	(9,116,909)	-	-	(9,116,909)
Balance at December 31, 2022	P2,117,514,897	P-	P-	P2,117,514,897

As of December 31, 2023 and 2022, no allowance for impairment losses has been recognized for the investment securities.

Liquidity risk

Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments as they fall due. Liquidity risks may result from either the inability to sell financial assets quickly at their fair values, the counterparty failing to repay a contractual obligation, insurance liabilities falling due for payment earlier than expected, or inability to generate cash inflows as anticipated.

An institution may suffer from a liquidity problem when its credit rating falls. The Company is also exposed to liquidity risk if markets on which it depends are subject to loss of liquidity. The major liquidity risk confronting the Company is the potential daily calls on its available cash resources in respect of claims arising from insurance contracts.

The Company manages liquidity through a liquidity risk policy which determines what constitutes liquidity risk for the Company, specifies minimum proportion of funds to meet emergency calls, sets up policies on contingency funding plans, specifies the sources of funding and the events that would trigger the plan as well as concentration of funding sources, requires reporting of liquidity risk exposures and breaches to the monitoring authority, and calls for monitoring of compliance with liquidity risk policy and review of liquidity risk policy.

The tables in the next page group the financial assets and liabilities, including reinsurance assets and insurance contract liabilities, of the Company as of December 31 into their relevant maturity groups based on the remaining period at the reporting date to their undiscounted contractual maturities or expected repayment dates. For financial assets at FVTPL, the analysis into maturity grouping is based on the remaining period from the end of the reporting period to the expected date the assets will be realized.

	2023				
	Up to a year	1-3 years	More than 3 years	No Maturity Date	Total
Cash and cash equivalents*	₱718,371,424	₱-	₱-	₱-	₱718,371,424
Insurance receivables	76,115,752	-	-	-	76,115,752
Interest receivable	26,446,743	-	-	-	26,446,743
Investment securities at amortized cost					
Government debt securities*	319,260,000	1,097,421,563	1,647,519,219	-	3,064,200,782
FVTPL financial assets					
Corporate debt securities*	8,331,030	16,662,060	148,944,740	-	173,937,830
Unquoted equity securities	-	-	-	20,000	20,000
Total financial assets	₱1,148,524,949	₱1,114,083,623	₱1,796,463,959	₱20,000	₱4,059,092,531
Other financial liabilities					
Insurance contract liabilities	₱806,785,961	₱-	₱-	₱-	₱806,785,961
Insurance payables	154,799,444	-	-	-	154,799,444
Accounts payable and accrued expenses**	179,687,295	-	-	1,105,396	180,792,691
Total financial liabilities	₱1,141,272,700	₱-	₱-	₱1,105,396	₱1,142,378,096

*Includes future interest

**Accounts payable and accrued expenses exclude taxes payables

	2022				
	Up to a year	1-3 years	More than 3 years	No Maturity Date	Total
Cash and cash equivalents*	₱697,256,253	₱-	₱-	₱-	₱697,256,253
Insurance receivables	72,092,530	-	-	-	72,092,530
Interest receivable	21,243,542	-	-	-	21,243,542
Investment securities at amortized cost					
Government debt securities*	141,065,625	848,407,813	1,625,586,719	-	2,615,060,157
FVTPL financial assets					
Corporate debt securities*	4,094,880	8,189,760	75,461,895	-	87,746,535
Unquoted equity securities	-	-	-	20,000	20,000
Total financial assets	₱935,752,830	₱856,597,573	₱1,701,048,614	₱20,000	₱3,493,419,017
Other financial liabilities					
Insurance contract liabilities	₱592,437,008	₱-	₱-	₱-	₱592,437,008
Insurance payables	40,657,550	-	-	-	40,657,550
Accounts payable and accrued expenses**	155,571,388	-	-	650,416	156,221,804
Total financial liabilities	₱788,665,946	₱-	₱-	₱650,416	₱789,316,362

*Includes future interest

**Accounts payable and accrued expenses exclude taxes payables.

Market risk

Market risk is the risk of changes in fair value of financial instruments from fluctuations in foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk), whether such changes is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

The Company manages market risk by evenly distributing capital among investment instruments, sectors and geographical areas.

The Company structures levels of market risk it accepts through a sound market risk policy based on specific guidelines set by an Investment Committee. This policy sets certain limits on exposure to investments mostly with top-rated banks, which are selected on the basis of the banks' credit ratings, capitalization and quality servicing being rendered to the Company.

Currency risk

Currency risk is the risk that the value of the financial instrument will fluctuate because of changes in foreign exchange rates. The Company's principal transactions are carried out in Philippine Peso and its exposure to foreign exchange risk is minimal.

Interest rate risk

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

The following table sets out the Company's financial instruments exposed to interest rate risk by maturity.

	Range of Interest Rate	2023			
		Up to a year	1 to 3 years	More than 3 years	Total
Cash and cash equivalents*	0.75% - 6.50%	₱708,941,182	₱-	₱-	₱708,941,182
Debt financial assets at FVTPL	6.12% - 7.53%	-	-	128,598,170	128,598,170
Total interest-bearing financial assets		₱708,941,182	₱-	₱128,598,170	₱837,539,352

*Cash and cash equivalents exclude cash on hand

	Range of Interest Rate	2022			
		Up to a year	1 to 3 years	More than 3 years	Total
Cash and cash equivalents*	1.25% - 5.75%	₱690,186,910	₱-	₱-	₱690,186,910
Debt financial assets at FVTPL	6.12% - 7.53%	-	-	56,925,720	56,925,720
Total interest-bearing financial assets		₱690,186,910	₱-	₱56,925,720	₱747,112,630

*Cash and cash equivalents exclude cash on hand

The following table demonstrates the sensitivity to a reasonably possible change in interest rates of December 31, 2023 and 2022, with all variables held constant, through the impact on changes in fair value of quoted debt securities.

Change in basis points:	Impact on profit before income tax	
	2023	2022
+100 basis points	(₱4,108,220)	(₱2,309,947)
-100 basis points	4,108,220	2,309,947

As of December 31, 2023 and 2022, the Company's investments relate primarily to fixed-rate debt securities that are classified as investments securities at amortized cost and HTM investments carried at amortized cost, respectively.

27. Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recorded and settled.

	2023			2022		
	Less than 12 months	Over 12 Months	Total	Less than 12 months	Over 12 Months	Total
ASSETS						
Cash and cash equivalents	₱709,716,682	₱-	₱709,716,682	₱690,710,410	₱-	₱690,710,410
Insurance receivables - net	76,115,752	-	76,115,752	72,092,530	-	72,092,530
Financial assets						
Financial assets at FVTPL	128,618,170	-	128,618,170	56,945,720	-	56,945,720
Investment securities at amortized cost	194,212,500	2,304,105,537	2,498,318,037	35,061,554	2,082,453,343	2,117,514,897
Interest receivable	26,446,743	-	26,446,743	21,243,542	-	21,243,542
Deferred acquisition costs	31,810,841	-	31,810,841	22,308,539	-	22,308,539
Reinsurance assets	183,356,603	-	183,356,603	97,666,972	-	97,666,972
Investment property	-	10	10	-	10	10
Property and equipment	-	7,690,501	7,690,501	-	731,096	731,096
Deferred tax asset - net	-	13,500,817	13,500,817	-	7,465,768	7,465,768
Net pension asset	-	2,847,501	2,847,501	-	8,050,607	8,050,607
Right-of-use assets	3,427,416	3,848,987	7,276,403	1,697,204	2,272,563	3,969,767
Other assets	14,358,393	2,745,406	17,103,799	15,351,947	1,415,026	16,766,973
Total	₱1,368,063,100	₱2,334,738,759	₱3,702,801,859	₱1,013,078,418	₱2,102,388,413	₱3,115,466,831
LIABILITIES						
Insurance contract liabilities	₱806,785,961	₱-	₱806,785,961	₱592,437,008	₱-	₱592,437,008
Insurance payables	154,799,444	-	154,799,444	40,657,550	-	40,657,550
Accounts payable and accrued expenses	197,262,229	1,105,396	198,367,625	167,156,094	650,416	167,806,510
Deferred reinsurance commissions	7,618,663	-	7,618,663	5,904	-	5,904
Lease liabilities	3,447,662	3,994,842	7,442,504	1,727,903	2,426,109	4,154,012
Income tax payable	49,222,462	-	49,222,462	51,251,225	-	51,251,225
Total	₱1,219,136,421	₱5,100,238	₱1,224,236,659	₱853,235,684	₱3,076,525	₱856,312,209

28. Supplementary Tax Information Required under Revenue Regulations (RR) No. 15-2010

In compliance with the requirements set forth by RR No. 15-2010 hereunder are the information on taxes and license fees paid or accrued during the taxable year.

Value-Added Tax (VAT)

The Company is a VAT-registered company with VAT output tax declaration of ₱3,563,111 for the year based on the amount reflected in the net insurance premiums of ₱29,692,588.

The amount of VAT input taxes claimed are broken down as follows:

Balance at January 1, 2023	₱-
Current year's purchases:	
Services	13,767,893
Goods other than for resale	1,792,885
Deferred input VAT - capital goods	3,479
Capital goods not subject to amortization	858,139
	16,422,396
Input tax deferred for the succeeding quarters	-
Input VAT applied to output VAT	(328,713)
Input VAT allocable to exempt sales	(16,093,683)
	₱-

Other Taxes and Licenses

The taxes and licenses paid and claimed by the Company in 2023 is as follows:

Local	
Business permit	₱452,605
Real property tax	102,490
Community tax certificate	10,500
Others	15,287
	580,882
National	
Supervision fees paid to the IC	176,750
Fees and charges paid to the IC	340,875
Filing fee for 2022 annual statement	50,400
VAT registration fee	23,000
Others	990
	592,015
	₱1,172,897

The Company has taxes relating to nonlife insurance policies that has been shifted or passed on to the policy holders and are not recognized in the statement of income. Details are as follows:

Premium tax	₱27,214,908
Documentary stamps tax	4,765,961
Local government tax	4,818,504
Fire service tax	91,915
	₱36,891,288

Withholding Taxes

The amount of expanded withholding taxes paid and accrued for the year amounted to:

Expanded withholding taxes	₱14,413,421
Withholding taxes on compensation and benefits	1,814,677
	₱16,228,098

Tax Assessments and Cases

The Company has no deficiency tax assessment or any tax case, litigation, and/or prosecution in courts or bodies outside the Bureau of Internal Revenue as of December 31, 2023.



APPENDICES

PARTNERSHIP

- ALALAY SA KAUNLARAN MICROFINANCE SOCIAL DEVELOPMENT, INC.
- ARAGON SECURITY AND INVESTIGATION AGENCY, INC.
- ASSISTANCE AND COOPERATION FOR COMMUNITY RESILIENCE AND DEVELOPMENT, INC.
- ATING KOOPERATIBA MULTI-PURPOSE COOPERATIVE
- CANTILAN BANK, INC.
- CARIDAD ILAYA MULTI-PURPOSE COOPERATIVE
- COOPERATIVE ALLIANCE FOR RESPONSIVE ENDEAVOR MUTUAL BENEFIT ASSOCIATION (CARE MBA), INC.
- FSG TECHNOLOGY VENTURES, INC.
- JEWEL OF THE NORTH LENDING INVESTOR, INC.
- KAALALAY FOUNDATION, INC.
- KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE
- KASAGANA-KA DEVELOPMENT CENTER, INC.
- KATIPUNAN BANKING CORPORATION "A RURAL BANK"
- KAZAMA GRAMEEN MICROFINANCE INC.
- LARFARM WORKERS ASSOCIATION
- LIBRA FINANCE & INVESTMENT CORPORATION
- NATCCO MUTUAL BENEFITS ASSOCIATION INC.
- OZAMIS CITY PEOPLES MULTI PURPOSE COOPERATIVE
- PAGLAUM MULTI-PURPOSE COOPERATIVE
- PEOPLES ALTERNATIVE LIVELIHOOD MICROFINANCE FOUNDATION OF SORSOGON, INC
- PEOPLE'S MICROFINANCE COOPERATIVE
- PHINMA EDUCATION NETWORK (ARAUULLO UNIVERSITY)
- PHINMA EDUCATION NETWORK (CAGAYAN DE ORO COLLEGE)
- PHINMA EDUCATION NETWORK (SAINT JUDE COLLEGE)
- PHINMA EDUCATION NETWORK (UNIVERSITY OF ILOILO)
- PRIMORIS MANPOWER SERVICES COMPANY
- REPUBLICAN COLLEGE
- RIMANSI MUTUAL SOLUTIONS INC.
- ST. JUDE MULTI-PURPOSE COOPERATIVE
- SURIGAO ECONOMIC DEVELOPMENT & MICROFINANCE FOUNDATION, INC.
- TAYTAY SA KAUSWAGAN INC.
- TCC MARKETING INTERNATIONAL INC.
- THE COMMONER MASA FOUNDATION INC.
- UNIVERSITY OF PANGASINAN-MAIN
- UNIVERSITY OF PANGASINAN-URDANETA

MIC/ MIS CAPACITY BUILDING PROGRAMS

- Leadership
- Presentation Skills
- Product and Claims Knowledge
- Salesmanship

DIRECTORY

NORTH LUZON 1

CAGAYAN 1
CAGAYAN 2
ILOCOS NORTE
ILOCOS SUR 1
ILOCOS SUR 2
ISABELA
LA UNION
NUEVA VIZCAYA

#90 CAMPOS ST., CARITAN CENTRO, TUGUEGARAO CITY, CAGAYAN
2ND FLOOR, CHUA BLDG., MAHARLIKA NATIONAL HIGHWAY, ZONE 5, BRGY. MACANAYA, APPARRI, CAGAYAN (TAAS NG MOTORTRADE)
EAST F. SIAZON RD., BRGY. 30-B STA MARIA, LAOAG CITY, ILOCOS NORTE (LANDMARK: FRONT OF THE GOLDEN HARVEST CHURCH)
ABIGANIA APARTMENT, BLOCK #6, FORONDA ST., BRGY. SAN JOSE, CANDON CITY, ILOCOS SUR
VCQ APARTMENT, SITIO RANCHITO, BRGY. TAMAG, VIGAN CITY, ILOCOS SUR
JBR BUILDING, BRGY. OSMENA, ILAGAN CITY, ISABELA
CARD MBA, INC. - LA UNION PROVINCIAL OFFICE, V.N MUNAR ST., BRGY. LINGSAT, SAN FERNANDO CITY, LA UNION
ACIERO ST., BRGY. BONFAL PROPER, BAYOMBONG, NUEVA VISCAYA

NORTH LUZON 2

BATAAN
BENGUET
BULACAN
NUEVA ECIJA
PAMPANGA
PANGASINAN 1
PANGASINAN 2
PANGASINAN 3
TARLAC

CARD MBA #4 CRUZ TOWNHOUSE SAMPAGUITA STREET PALMERA VILLAGE BRGY. TENEJERO BALANGA CITY BATAAN.
CARD MBA, INC. - BENGUET PROVINCIAL OFFICE, 2ND & 3RD FLOOR, #36 GAERLAND RD., BRGY. CAMPO FILIPINO, BAGUIO CITY
CARD MBA LOT 4 BLK 18 JUPITER ST., SAN FELIPE SUBD BRGY MOJON., CITY OF MALOLOS, PROVINCE OF BULACAN
CARD MBA, INC. - NUEVA ECIJA PROVINCIAL OFFICE, AZADIE APARTMENT, GEN. TINIO EXT., BRGY. KAPITAN PEPE, CABANATUAN CITY
CARD MBA PAMPANGA - MC ARTHUR HIGH WAY BRGY DOLORES, CITY OF SAN FERNANDO PAMPANGA
PC APARTMENT #4, SISON EXT. ROAD BAYAOAS URDANETA CITY, PANGASINAN
#195 CENTRO, SAN ISIDRO SUR, BINMALEY, PANGASINAN
BARANGAY POGO ALAMINOS CITY PANGASINAN
62 RIVERSIDE ST., SAN MIGUEL, TARLAC CITY

SOUTH CENTRAL

CAVITE 1
CAVITE 2
METRO MANILA 1
METRO MANILA 2
METRO MANILA 3
METRO MANILA 4
PALAWAN 1
PALAWAN 2
RIZAL

BLK 3 LOT 3 YAKAL ST. DON GREGORIO SUBD. BRGY. BUCAL, DASMARINAS, CAVITE
BLK 01, LOT 01 2ND FLOOR, FOGGY HEIGHTS VILLAGE, BRGY SAN JOSE TAGAYTAY CITY CAVITE
PRINCE BLDG., 117 RADA ST., LEGASPI VILLAGE, MAKATI CITY
#9 LUIS SIANGHIO KAMUNING QUEZON CITY
2185G MIKESELL SUB. MARCOS ALVAREZ AVE. TALON 5, LAS PINAS CITY
#9 LUIS SIANGHIO KAMUNING QUEZON CITY
LOT NO.8-D-3-E-1, CABANAG ROAD,SAN PEDRO,PUERTO PRINCESA CITY
SITIO PASTO VILLA LIBERTAD EL NIDO, PALAWAN.
CARD MBA RIZAL PROVINCIAL OFFICE BLOCK 1, LOT 2, 1E ASCONA ST., VILLAGE EAST EXECUTIVE HOMES, CAINTA, RIZAL

SOUTH CENTRAL 2

MARINDUQUE
OCCIDENTAL MINDORO 1
OCCIDENTAL MINDORO 2
ORIENTAL MINDORO 1
ORIENTAL MINDORO 2
ORIENTAL MINDORO 3
QUEZON 1
QUEZON 2
QUEZON 4

LJ RENTAL BUILDING, SAN JOSE ST. BRGY. UNO, GASAN, MARINDUQUE
CARD MBA - BRGY. POBLACION 8, SAN JOSE, OCCIDENTAL MINDORO
CASA CRISTINA COOPER ST. BRGY. PAYOMPON, MAMBURAO, OCCIDENTAL MINDORO
VALEN MARTINEZ BUILDING, ROXAS ROAD BRGY. LUMANGBAYAN, CALAPAN ORIENTAL MINDORO
PABELLA VILLAGE, BAGUMBAYAN, ROXAS ORIENTAL MINDORO
SILANG BUILDING STO. SUBD. BRGY. MARFRANCISCO, PINAMALAYAN, ORIENTAL MINDORO
M.H. DEL PILAR BRGY. BAGONG BUHAY, GUMACA, QUEZON, PHILIPPINES
"2ND FLOOR TS NICODEMUS BUILDING, QUEZON AVENUE COR RAVANZO HERMANA FAUSTA BRGY., 1. LUCENA CITY"
48 RIZAL ST. BRGY 5 CALAUAG, QUEZON

SOUTH LUZON 1

BATANGAS 1
 BATANGAS 2
 BATANGAS 3
 BATANGAS 4
 LAGUNA 1
 LAGUNA 2
 LAGUNA 3
 LAGUNA 4
 QUEZON 3

A. BONIFACIO ST. CORNER SAN VICENTE ST. BRGY 10 LIPA CITY BATANGAS 4217
 051 SANGALANG ST., BRGY. SANGALANG, LEMERY, BATANGAS
 BLOCK 4 LOT 1 SAN SEBASTIAN VILLAGE BRY III POBLACION TANAUAN CITY BATANGAS
 CARD MBA, UNION STREET POBLACION 5, BALAYAN BATANGAS
 3RD FLR. CARD MBA BUILDING, P. BURGOS ST. BRGY VII-D, SAN PABLO CITY, LAGUNA
 1744 - A. ALFONSO STREET, BRGY. 2 STA. CRUZ LAGUNA
 PUROK 3 NATIONAL HIGHWAY BRGY. DILA BAY LAGUNA
 2ND FLR. CARD SME BANK BUILDING NATIONAL HIGHWAY, BRGY. UNO CALAMBA CITY LAGUNA
 ARGAO ST POBLACION CANDELARIA QUEZON

SOUTH LUZON 2

ALBAY
 ALBAY 2
 CAMARINES NORTE
 CAMARINES SUR 1
 CAMARINES SUR 2
 CAMARINES SUR 3
 CAMARINES SUR 4

DOOR 6 LAPARAN APARTMENT, ST. JUDE SUBDIVISION BARANGAY 39 BONOT LEGAZPI CITY, ALBAY
 DOOR 6 LAPARAN APARTMENT, ST. JUDE SUBDIVISION BARANGAY 39 BONOT LEGAZPI CITY, ALBAY
 DOOR 7, J. ACE AND JAJA BUILDING, BARANGAY 6 BAGASBAS RD., DAET, CAMARINES NORTE
 CARD MBA BUILDING, PENAFRANCIA AVE, SAN FRANCISCO ST., NAGA CITY
 2ND FLOOR ORANGE BUILDING ZONE 4 SAN LUIS POBLACION NABUA, CAMARINES SUR
 SAN ISIDRO, GOA, CAMARINES SUR
 2ND FLOOR, CENTRO 2, BRGY. MALUBAGO , SIPOCOT, CAMARINES SUR

VISAYAS 1

CEBU 1
 CEBU 2
 CEBU 3
 EASTERN SAMAR
 LEYTE 1
 LEYTE 2
 MASBATE 1
 MASBATE 2
 SAMAR
 SOUTHERN LEYTE

PIONEER HOUSE CEBU, CARDINAL ROSALES AVENUE, CORNER PANGLAO STREET, CEBU BUSINESS PARK, CEBU CITY
 CORNER MABINI LAPU-LAPU POBLACION DANA O CITY, CEBU
 OCEANSIDE SUBDIVISION SOUTH POBLACION CITY OF NAGA CEBU
 2F A. CARDONA ST. BRGY. BALUD 2, BORONGAN CITY, EASTERN SAMAR
 183 BRGY. 44-A QUARRY DISTRCIT SALAZAR STREET TACLOBAN CITY
 RIZAL ST., DISTRICT 19, ORMOC CITY, LEYTE (IN FRONT OF GAISANO MART BESIDE AREVALO CLINIC)
 DOOR 4 KIMBERLY APARTMENT NURSERY ST. MASBATE CITY
 DOOR 4 KIMBERLY APARTMENT NURSERY ST. MASBATE CITY
 RUEDA ST. BRGY. EAST AWANG, CALBAYOG CITY, SAMAR 6710
 ROSARIO VILLAGE, BRGY. ASUNCION, MAASIN SD., LEYTE

VISAYAS 2

ANTIQUUE
 BOHOL
 CAPIZ
 ILOILO 1
 ILOILO 2
 NEGROS OCCIDENTAL 1
 NEGROS OCCIDENTAL 2
 NEGROS ORIENTAL

CARD MRI BUILDING- CADIAO ST, CENTRO SUR CULASI ANTIQUE
 GRAHAM AVENUE, COGON DISTRICT ,TAGBILARAN CITY , BOHOL 6300
 LEGAZPI STREET, BRGY 2, ROXAS CITY, CAPIZ
 QUEENBANK BUILDING, VALERIA COR SOLIS ST, ILOILO CITY PROPER, ILOILO CITY, 5000 ILOILO
 OSMENA ST., BRGY. POBLACION ILAYA, BAROTAC NUEVO, ILOILO
 BLK 6, BLOODSTONE ST. CITY HEIGHTS SUBDIVISION BRGY. TACULING BACOLOD CITY, NEGROS OCCIDENTAL
 REPULLO ST. BRGY. 3 KABANKALAN NEGROS OCCIDENTAL
 CLAYTOWN HOMES, BARANGAY DARO, DUMAGUETE CITY, NEGROS ORIENTAL

MINDANAO 1

AGUSAN DEL SUR
COTABATO
DAVAO DEL NORTE
DAVAO DE ORO
DAVAO 1
DAVAO 2
DAVAO ORIENTAL
NORTH COTABATO
SOUTH COTABATO
SULTAN KUDARAT

PUROK 5, BANASIG APT. BRGY 3 SAN FRANCISCO AGUSAN DEL SUR
BLOCK 5, FEDERVILLE SUBDIVISION, COTABATO CITY.
PUROK B, SUAYBAGUIO
P-9, POBLACION NABUNTURAN, DAVAO DE ORO 9 (BACK OF ASSEMBLY OF GOD CHURCH - LAVENDER COLOR OF THE HOUSE)
DOOR 3 NANCY BUNGALOW, TINIKLING STREET LANZONA SUBDIVISION, MATINA DAVAO CITY
2411 PUROK FLOWERHORN, LIM EXTENSION, TEACHER'S VILLAGE. ZONE III, DIGOS CITY
BLOCK 8, LOT 27, DON LUIS, BRGY CENTRAL, MATI CITY, DAVAO ORIENTAL
PRIMEVILLE APARTMENT, PUROK 4A SENEGUELAS BRGY LANA O KIDAPAWAN CITY
"PISC GENERAL SANTOS - SANTIAGO BRANCH C. CZAR & CO. BLDG., I. SANTIAGO BLVD., GENERAL SANTOS CITY 9500 SOUTH COTABATO"
455 G. ZAMBRANO ST., KALAWAG 2, ISULAN, SULTAN KUDARAT

MINDANAO 2

AGUSAN DEL NORTE
BUKIDNON
LANAO DEL NORTE
MISAMIS ORIENTAL
SURIGAO DEL NORTE
ZAMBOANGA BASULTA
ZAMBOANGA DEL NORTE
ZAMBOANGA DEL SUR
ZAMBOANGA SIBUGAY

2ND STREET, GUINGONA SUBDIVISION, BRGY. JOSE RIZAL, BUTUAN CITY
PUROK 5, LUMBO, VALENCIA CITY, BUKIDNON
PRK. 12, VILLA ELENA, BLOCK 3, KAPATAGAN, LANA O DEL NORTE
"PIONEER HOUSE CDO, DON APOLINAR VELEZ STREET CORNER, MABINI ST, CAGAYAN DE ORO, 9000 PROVINCE OF MISAMIS ORIENTAL"
03297 CABILAO BLDG, BORROMEO ST. BRGY. TAFT SURIGAO CITY
SAN JOSE, GUZU, ZAMBOANGA CITY
#088 MABINI STREET CORNER MAGSAYSAY STREET BARRA, DIPOLOG CITY
P- GUMAMELA BRGY. PAGLAUM, DUMALINAO ZAMBOANGA DEL SUR
P. NEW JERUSALEM DON ANDRES IPIL ZAMBOANGA SIBUGAY



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