104202017001811

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632) 726-0931 to 39 Fax:(632) 725-5293 Email: mis@sec.gov.ph

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Company Information

SEC Registration No.	CN200902141
Company Name	SIMBAG SA EMERHENSYA ASIN DAGDAG PASEGURO MUTU-AL BENEFIT ASSOCIATION (SEDP MBA) INC.
Industry Classification	
Company Type	

Document Information

Document ID	104202017001811
Document Type	FINANCIAL STATEMENT-ANNUAL
Document Code	FS
Period Covered	December 31, 2016
No. of Days Late	0
Department	CED/CRMD
Remarks	

Reason for Edit Receipt Date: System Down

COVERS SHEET
for
AUDITED FINANCIAL STATEMENTS

							0	2	1	4	1

SEC Registration Number

	0	0	7	-	2	4	5	-	5	3	7

Tax Identification Number

Company Name

SIMBAG SA EMERHENSYA ASIN DAGDAG
PASEGURO MUTUAL BENEFIT ASSOCIATI
ON (SEDP MBA), INC.

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

3RD FLOOR THE CHANCERY BUILDING,
CATHEDRAL COMPOUND, ALBAY DISTRIC
T, LEGASPI CITY, PHILIPPINES

(Form Type)	(Department Requiring the Report)	Secondary License Type, if Applicable)
AAFS		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
sedp_mba@yahoo.com.ph	052-481-4449	

No. of Stockholder	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
		12/31/2016

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number/s
Fr. Rex Paul B. Arjona		052-481-2349	

Contact Person's Address
Harong Kan Ama, Sipi,Daraga,Albay

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

CERTIFICATION

INSURANCE COMMISSION
1071 United Nations Avenue
Manila

Gentlemen:

In connection with our engagement in the audit of the financial statements of Simbag sa Emerhensya Asin Dagdag Paseguro Mutual Benefit Association (SEDP MBA), Inc. for the year ended December 31, 2016, we hereby certify:

1. That there were no weakness or breach in the internal control and risk management of the Association that are material enough to warrant modifications of our report nor were there matters that came to our attention that need our direct reporting to the Insurance Commission (IC);

2. That we have nothing to report to the Insurance Commission (IC) with regard to items enumerated under Section 10 of Circular No. 29-2009, that came to our attention during the audit (e.g. fraud, under-reserving of IBNR, breach of laws, material internal control weaknesses, etc.), and

3. That the engagement partner, manager and auditor-in-charge of the engagement and the members of their immediate families do not have any direct or indirect financial interest with the Association, and their independence is not considered impaired under the circumstances specified in the Code of Professional Ethics for Certified Public Accountants.

This certification is issued in compliance with the requirements mandated by the Insurance Commission (IC) in its Circular No. 29-2009, dated November 10, 2009.

Done this 17th day of April 2017 at Cagayan de Oro City, Philippines.

RICO P. QUILAB
Engagement Partner

APR 17 2017

SUBSCRIBED AND SWORN to before me this 17th day of April, 2017 affiant exhibited to me his residence certificate number CTC No. 30421230 issued on January 3, 2017, at Cagayan de Oro City, Philippines.

NOTARY PUBLIC

ATTY. SATURNINO NERI BACONGA
Notary Public until December 31, 2017
IBP Lifetime No. 07454
PTR No. 3336271 / JAN. 06, 2017
ROLL NO. 56038 / MCLE IV-0004067
TIN No. 144-326-808

Doc. No. 57
Page No. 12
Book No. 88
Series of 2017.

Simbag sa Emerhensya asin Dagdag Paseguro
Mutual Benefit Association Inc. (SEDP MBA)
3/F The Chancery, Cathedral Compound
Old Albay District, Legazpi City, Philippines
Telefax: (052) 481-4449
Email: sedp_mba@yahoo.com.ph

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Simbag sa Emerhensya Asin Dagdag Paseguro Mutual Benefit Association (SEDP MBA), Inc. is responsible for the preparation and fair presentation of its financial statements for the years ended December 31, 2016 and 2015, in accordance with Philippine Financial Reporting Standards (PFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing (as applicable) matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has not realistic alternative but to do so.

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

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

Quilab, Cabilin, Bato & Co., CPAs, the independent auditors appointed by the Board of Trustees for the period December 31, 2016 and Zamudio & Ogena, CPAs for period December 31, 2015, have audited the financial statements of the Association in accordance with Philippine Standards on Auditing, and in their report to the Board of Trustees have expressed their opinions on the fairness of presentation upon completion of such audits.

April 12, 2017, Legazpi City, Albay, Philippines.

FR. REX PAUL B. ARJONA
President

ROBERTO A. DALIT
MBA Manager

MARILYN S. IBARRETA
Treasurer

Subject: Tax Return Receipt Confirmation

From: ebirforms-noreply@bir.gov.ph (ebirforms-noreply@bir.gov.ph)

To: qcb_co@yahoo.com;

Date: Monday, April 17, 2017 11:28 AM

This confirms receipt of your submission with the following details subject to validation by BIR:
File name: 007245537000-1702EX-1216.xml
Date received by BIR: 17 April 2017
Time received by BIR: 11:11 AM
Penalties may be imposed for any violation of the provisions of the NIRC and issuances thereof.

FOR RETURNS WITH PAYMENT
Please print this e-mail together with the RETURN and proceed to pay through the Authorized Agent Bank / Collection Agent / GCASH or use other payment options.

This is a system-generated email. Please do not reply.

Bureau of Internal Revenue

==========
DISCLAIMER
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1702-EX06/13P1

Republika ng Pilipinas
Kagawaran ng Pananalapi
Kawanihan ng Rentas Internas

Annual Income Tax Return

For Use ONLY by Corporation, Partnership and Other Non-Individual Taxpayer EXEMPT Under the Tax Code, as Amended, [Sec. 30 and those exempted in Sec. 27(C)] and Other Special Laws, with NO Other Taxable Income

Enter all required information in CAPITAL LETTERS using BLACK ink. Mark applicable boxes with an "X". Two copies MUST be filed with the BIR and one held by the taxpayer.

BIR Form No. **1702-EX** June 2013 **Page 1**

1 For [X] Calendar [ ] Fiscal

2 Year Ended (MM/20YY) 12/20 16

3 Amended Return? [ ] Yes [X] No

4 Short Period Return? [ ] Yes [X] No

5 Alphanumeric Tax Code (ATC)

IC 011	Exempt Corporation on Exempt Activities	[X]
IC 021	General Professional Partnership	[ ]

Part I - Background Information

6 Taxpayer Identification Number (TIN) 0 0 7 - 2 4 5 - 5 3 7 - 0 0 0 0

7 RDO Code 0 6 7

8 Date of Incorporation/Organization *(MM/DD/YYYY)* 0 2 / 1 7 / 2 0 0 9

9 Registered Name *(Enter only 1 letter per box using CAPITAL LETTERS)*

SIMBAG SA EMERHENSYA ASIN DAGDAG PASEGURO MUTUAL BENEFIT ASSOCIATION (SEDP MBA), INC

10 Registered Address *(Indicate complete registered address)*

CATHEDRAL COMPOUND, ALBAY DISTRICT, LEGAZP I CITY

11 Contact Number 4 8 1 4 - 449

12 Email Address qcb_co@yahoo.com

13 Main Line of Business MUTUAL BENEFIT ASSOCIATION

14 PSIC Code 9 1 9 9

15 Method of Deduction Itemized Deductions [Sections 34 (A-J), NIRC]

16 Legal Basis of Tax Relief/Exemption (Specify) SEC 30-C

17 Investment Promotion Agency (IPA)/Government Agency SEC

18 Registered Activity/Program (Reg. No.) SEC 30-C

19 Effectivity Date of Tax Relief/Exemption From 0 2 / 1 7 / 2 0 0 9 To 0 2 / 1 7 / 2 0 5 9

Part II – Total Tax Payable

(Do NOT enter Centavos)

20 Total Income Tax Due *(From Part IV Item 41)*	0 0 0
21 Add: Penalty - Compromise	0
22 **TOTAL AMOUNT PAYABLE** *(Sum of Items 20 & 21)*	0

We declare under the penalties of perjury, that this annual return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. *(If Authorized Representative, attach authorization letter and indicate TIN.)*

FR. REX PAUL B. ARJONA

Signature over printed name of President/Principal Officer/Authorized Representative | Signature over printed name of Treasurer/Assistant Treasurer

Title of Signatory | Number of pages filed

23 Community Tax Certificate (CTC) Number/SEC Reg. No. 1 8 1 4 1 4

24 Date of Issue (MM/DD/YYYY) 0 1 / 2 0 / 2 0 1 7

25 Place of Issue LEGAZPI CITY

26 Amount, if CTC 500

Part III – Details of Payment

Details of Payment	Drawee Bank/ Agency	Number	Date (MM/DD/YYYY)	Amount
27 Cash/Bank Debit Memo			/ /	0
28 Check			/ /	0
29 Tax Debit Memo			/ /	0
30 Others *(Specify Below)*				
			/ /	0

Machine Validation / Revenue Official Receipt Details *(If not filed with an Authorized Agent Bank)*

Stamp of receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)

REVENUE DISTRICT OFFICE NO. 67 LEGAZPI CITY RECEIVED APR 20 2017 DATE RCO'S NAME JOSELYN DJ. DICEN RCO CODE 0007000 INITIAL

Annual Income Tax Return
Page 3 - Schedules 1 & 2

BIR Form No. **1702-EX** June 2013

1702-EX06/13P3

TIN	Registered Name
0 0 7 2 4 5 5 3 7 0 0 0 0	SIMBAG SA EMERHENSYA ASIN DAGDAG PAS

Schedule 1 - Sales/Revenues/Receipts/Fees *(Attach additional sheet/s, if necessary)*	
1 Sale of Goods/Properties	0
2 Sale of Services	50,606,885
3 Lease of Properties	0
4 Total *(Sum of Items 1 to 3)*	50,606,885
5 Less: Sales Returns, Allowances and Discounts	0
6 Net Sales/Revenues/Receipts/Fees *(Item 4 Less Item 5) (To Part IV Item 31)*	50,606,885

Schedule 2 - Cost of Sales *(Attach additional sheet/s, if necessary)*

Schedule 2A - Cost of Sales (For those Engaged in Trading)	
1 Merchandise Inventory - Beginning	0
2 Add Purchase of Merchandise	0
3 Total Goods Available for Sale *(Sum of Items 1 & 2)*	0
4 Less: Merchandise - Ending	0
5 Cost of Sales *(Item 3 Less Item 4) (To Schedule 2 Item 27)*	0

Schedule 2B - Cost of Sales (For those Engaged in Manufacturing)		
6 Direct Materials, Beginning	0	
7 Add: Purchases of Direct Materials	0	
8 Materials Available for Use *(Sum of Items 6 & 7)*	0	
9 Less: Direct Materials, Ending	0	
10 Raw Materials Used *(Item 8 Less Item 9)*		0
11 Direct Labor		0
12 Manufacturing Overhead		0
13 Total Manufacturing Cost *(Sum of Items 10, 11 & 12)*		0
14 Add: Work in Process, Beginning	0	
15 Less: Work in Process, Ending	0	
16 Cost of Goods Manufactured *(Sum of Items 13 & 14 Less Item 15)*		0
17 Add: Finished Goods, Beginning	0	
18 Less: Finished Goods, Ending	0	
19 Cost of Goods Manufactured and Sold *(Sum of Items 16 & 17 Less Item 18) (To Schedule 2 Item 27)*		0

Schedule 2C - Cost of Services (For those engaged in Services, indicate only those directly incurred or related to the gross revenue from rendition of services)	
20 Direct Charges - Salaries, Wages and Benefits	0
21 Direct Charges - Materials, Supplies and Facilities	0
22 Direct Charges - Depreciation	0
23 Direct Charges - Rental	0
24 Direct Charges - Outside Services	0
25 Direct Charges - Others	2,530,344
26 Total Cost of Services *(Sum of Items 20 to 25) (To Schedule 2 Item 27)*	2,530,344

27 Total Cost of Sales/Services *(Sum of Items 5, 19 & 26, if applicable) (To Part IV Item 32)*	2,530,344

Annual Income Tax Return
Page 5 - Schedules 4, 5 & 6

BIR Form No. **1702-EX** June 2013

1702-EX06/13P5

TIN	Registered Name
0 0 7 2 4 5 5 3 7 0 0 0 0	SIMBAG SA EMERHENSYA ASIN DAGDAG PAS

Schedule 4 - Ordinary Allowable Itemized Deductions *(Continued from Previous Page)*

30 Security Services	0
31 SSS, GSIS, Philhealth, HDMF and Other Contributions	0
32 Taxes and Licenses	112,575
33 Tolling Fees	0
34 Training and Seminars	590,536
35 Transportation and Travel	144,005
Others *[Specify below; Add additional sheet(s) if necessary]*	
36 MEMBERSHIP ENROLLMENT AND MARKETI	132,670
37 ASSOCIATION DUES	257,980
38 NOTARIAL FEES	2,650
39 ANNUAL GENERAL ASSEMBLY	287,288
40 Total Ordinary Allowable Itemized Deductions *(Sum of Items 1 to 39) (To Part IV Item 36)*	42,480,238

Schedule 5 - Special Allowable Itemized Deductions *(Attach additional sheet/s, if necessary)*

	Description	Legal Basis	Amount
1			0
2			0
3			0
4			0
5 Total Special Allowable Itemized Deductions *(Sum of Items 1 to 4) (To Part IV Item 37)*			0

Schedule 6 - Reconciliation of Net Income per Books Against Taxable Income *(Attach additional sheet/s, if necessary)*

1 Net Income/(Loss) per books	10,620,142
Add: Non-deductible Expenses/Taxable Other Income	
2	0
3	0
4 Total *(Sum of Items 1 to 3)*	10,620,142
Less: A) Non-taxable Income and Income Subjected to Final Tax	
5 INTEREST AND INVESTMENT INCOME	3,518,539
6	0
B) Special Deductions	
7	0
8	0
9 Total *(Sum of Items 5 to 8)*	3,518,539
10 Net Taxable Income (Loss) *(Item 4 Less Item 9)*	7,101,603

Annual Income Tax Return

Page 7 - Schedules 9 & 10

BIR Form No. **1702-EX** June 2013

1702-EX06/13P7

TIN	Registered Name
0 0 7 2 4 5 5 3 7 0 0 0 0	SIMBAG SA EMERHENSYA ASIN DAGDAG PAS

Schedule 9- Supplemental Information *(Attach additional sheet/s, if necessary)*

I) Gross Income/ Receipts Subjected to Final Withholding	A) Exempt	B) Actual Amount/Fair Market Value/Net Capital Gains	C) Final Tax Withheld/Paid
1 Interests	0	0	0
2 Royalties	0	0	0
3 Dividends	0	0	0
4 Prizes and Winnings	0	0	0

II) Sale/Exchange of Real Properties	A) Sale/Exchange #1	B) Sale/Exchange #2
5 Description of Property *(e.g., land, improvement, etc.)*		
6 OCT/TCT/CCT/Tax Declaration No.		
7 Certificate Authorizing Registration (CAR) No.		
8 Actual Amount/Fair Market Value/Net Capital Gains	0	0
9 Final Tax Withheld/Paid	0	0

III) Sale/Exchange of Shares of Stock	A) Sale/Exchange #1	B) Sale/Exchange #2
10 Kind *(PS/CS)* / Stock Certificate Series No.	P S /	P S /
11 Certificate Authorizing Registration (CAR) No.		
12 Number of Shares	0	0
13 Date of Issue *(MM/DD/YYYY)*	/ /	/ /
14 Actual Amount/Fair Market Value/Net Capital Gains	0	0
15 Final Tax Withheld/Paid	0	0

IV) Other Income *(Specify)*	A) Other Income #1	B) Other Income #2
16 Other Income Subject to Final Tax Under Sections 57(A)/127/others of the Tax Code, as amended *(Specify)*		
17 Actual Amount/Fair Market Value/Net Capital Gains	0	0
18 Final Tax Withheld/Paid	0	0

19 Total Final Tax Withheld/Paid *(Sum of Items 1C to 4C, 9A, 9B, 15A, 15B, 18A & 18B)*	0

Schedule 10- Gross Income/Receipts Exempt from Income Tax

1 Return of Premium *(Actual Amount/Fair Market Value)*	0

I) Personal/Real Properties Received thru Gifts, Bequests, and Devises	A) Personal/Real Properties #1	B) Personal/Real Properties #2
2 Description of Property *(e.g., land, improvement, etc.)*		
3 Mode of Transfer *(e.g. Donation)*		
4 Certificate Authorizing Registration (CAR) No.		
5 Actual Amount/Fair Market Value	0	0

II) Other Exempt Income/Receipts	A) Other Exempt Income #1	B) Other Exempt Income #2
6 Other Exempt Income/Receipts Under Sec. 32 (B) of the Tax Code, as amended *(Specify)*		
7 Actual Amount/Fair Market Value/Net Capital Gains	0	0

8 Total Income/Receipts Exempt from Income Tax *(Sum of Items 1, 5A, 5B, 7A & 7B)*	0

Simbag sa Emerhensya asin Dagdag Paseguro
Mutual Benefit Association Inc. (SEDP MBA)
3/F The Chancery, Cathedral Compound
Old Albay District, Legazpi City, Philippines
Telefax: (052) 481-4449
Email: sedp_mba@yahoo.com.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURNS

The management of Simbag sa Emerhensya Asin Dagdag Paseguro Mutual Benefit Association (SEDP MBA), Inc. is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2016. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Further-more, management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the valued added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, management affirms that the attached audited financial statements for the year ended December 31, 2016, and the accompanying Annual Income Tax Return are in accordance with the books and records of Simbag sa Emerhensya Asin Dagdag Paseguro Mutual Benefit Association (SEDP MBA), Inc., complete and correct in all material respects.

Management likewise affirms that:

a) The Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
b) Any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules have been reported as reconciling items and maintained in the Association's books and records in accordance with the requirements of Revenue Regulation No. 8-2007 and other relevant issuances;
c) Simbag sa Emerhensya Asin Dagdag Paseguro Mutual Benefit Association (SEDP MBA), Inc. has filed all applicable returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

April 12, 2017, Legazpi City, Albay, Philippines.

FR. REX PAUL B. ARJONA
President

ROBERTO A. DALIT
MBA Manager

MARILYN S. IBARRETA
Treasurer

BUREAU OF INTERNAL REVENUE
RECEIVED
APR 20 2017
RCO'S NAME
RCO CODE
INITIAL

QCB & Co

◆ QUILAB CABILIN BATO & Co
2F Executive Centrum Building
J.R. Borja St., Cagayan de Oro City
9000 Philippines

63 (08822) 72-7515, (088) 856-4401
qcb_co@yahoo.com

◆ Accreditations
SEC No. 0182-FR-1 (July 27, 2019)
BOA/PRC Reg. No. 0250 (Dec. 31, 2019)
CDA CEA No 0015-AF (Mar. 2, 2017)
NEA No. 2013-07-00011 (Jul. 20, 2019)
IC No. F-2014/017 (Oct. 23, 2017)
BSP (Jun. 30, 2016), BIR (Oct. 4, 2019)

REPORT OF INDEPENDENT AUDITORS TO ACCOMPANY INCOME TAX RETURNS

The Board of Trustees and Members
Simbag sa Emerhensya Asin Dagdag Paseguro Mutual Benefit Association (SEDP MBA), Inc.
3/F The Chancery, Cathedral Compound
Old Albay District, Legazpi city

We have audited the accompanying financial statement of Simbag sa Emerhensya Asin Dagdag Paseguro Mutual Benefit Association (SEDP MBA), Inc., for the year ended December 31, 2016, on which we have rendered the attached report dated April 12, 2017.

In compliance with Revenue Regulation V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the Chairman, General Manager or principal officers of the Association.

QUILAB CABILIN BATO & Co
By:

RICO P. QUILAB
Partner
CPA Cert. No.46034
TIN No. 129-040-841
PRC/BOA Cert. No. 00250 (12.31.2017)
BIR No. 16-005287-002-2015 (12.29.18)
SEC No. 0906-AR-2 (7.27.2019)
IC No. SP-2014/029-R (10.23.17)
PTR No. 3292738 A
January 3, 2017
Cagayan de Oro City

April 12, 2017
Cagayan de Oro City, Philippines

QCB & Co

◆ QUILAB CABILIN BATO & Co
2F Executive Centrum Building
J.R. Borja St., Cagayan de Oro City
9000 Philippines

63 (08822) 72-7515, (088) 856-4401
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NEA No. 2013-07-00011 (Jul. 20, 2019)
IC No. F-2014/017 (Oct. 23, 2017)
BSP (Jun. 30, 2016), BIR (Oct. 4, 2019)

REPORT OF INDEPENDENT AUDITORS

The Board of Trustees and Members
Simbag sa Emerhensya Asin Dagdag Paseguro Mutual Benefit Association (SEDP MBA), Inc.
3/F The Chancery, Cathedral Compound
Old Albay District, Legazpi city

Report on the Financial Statements

Opinion
We have audited the accompanying financial statements of Simbag sa Emerhensya Asin Dagdag Paseguro Mutual Benefit Association (SEDP MBA), Inc., which comprise the statement of financial position as at December 31, 2016, and the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements comprising of a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all materials respects, the financial position of Simbag sa Emerhensya Asin Dagdag Paseguro Mutual Benefit Association (SEDP MBA), Inc. as at December 31, 2016, and of its financial performance and cash flows for the year then ended, in accordance with Philippine Financial Reporting Standards (PFRSs).

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

Other Matter
The financial statements of Simbag sa Emerhensya Asin Dagdag Paseguro Mutual Benefit Association (SEDP MBA), Inc., as of and for the year ended December 31, 2015, were audited by other auditors, whose report, dated April 4 2016, on those statements, was unqualified.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
The 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 Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

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

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees in Note 23 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as whole.

Report on the Supplementary Information Required by SRC Code Rule 68, As Amended (2011)

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedule in Annex 1: Effective Standards and Interpretations Under PFRS as of December 31, 2016, Adopted as of September 30, 2016, is presented for the purpose of complying with the requirements of Part 1, Section 4 of the Securities Regulation Code Rule 68, As Amended (2011), and are not required parts of the basic financial statements. Such information is the responsibility of the Association's management. The information in such supplementary schedules has been subjected to the auditing procedures applied in the audits of the basic financial statements. In our opinion, the information is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole and has been prepared in accordance with SRC Rule 68.

QUILAB CABILIN BATO & Co
By:

RICO P. QUILAB
Partner
CPA Cert. No.46034
TIN No. 129-040-841
PRC/BOA Cert. No. 00250 (12.31.2017)
BIR No. 16-005287-002-2015 (12.29.18)
SEC No. 0906-AR-2 (7.27.2019)
IC No. SP-2014/029-R (10.23.17)
PTR No. 3292738 A
January 3, 2017
Cagayan de Oro City

April 12, 2017
Cagayan de Oro City, Philippines

STATEMENT OF FINANCIAL POSITION

Simbag sa Emerhensya Asin Dagdag Paseguro Mutual Benefit Association (SEDP MBA), Inc.

(With Comparative Figures as of December 31, 2015)

December 31	**2016**	2015
		(As Restated) *(Note 11)*
ASSETS		
Current Assets		
Cash and cash equivalents *(Note 4)*	**₱72,985,259**	₱62,201,270
Trade and other receivables *(Note 5)*	**870,047**	10,996,190
Total Current Assets	**73,855,306**	73,197,460
Non-Current Assets		
Furniture, fixtures and office equipment (net) *(Note 6)*	**94,274**	85,746
Held-to-maturity investments *(Note 7)*	**108,218,628**	81,151,664
Total Non-Current Assets	**108,312,902**	81,237,410
	₱182,168,208	₱154,434,870
LIABILITIES AND FUND BALANCES		
Current Liabilities		
Trade and other payables *(Note 8)*	**₱10,860,361**	₱8,802,320
Insurance contract liabilities *(Note 9)*	**664,500**	592,450
Total Current Liabilities	**11,524,861**	9,394,770
Non-Current Liabilities		
Aggregate reserves for unexpired risks *(Note 10)*	**95,860,195**	81,359,991
Total Liabilities	**107,385,056**	90,754,761
Fund Balances		
Guaranty Fund *(Note 11)*	**17,817,469**	15,287,125
Special Funds *(Note 12)*	**14,022,103**	12,822,837
General Fund *(Note 11)*	**42,943,580**	35,570,147
Total Fund Balances	**74,783,152**	63,680,109
	₱182,168,208	₱154,434,870

See Note to Financial Statements

STATEMENT OF PROFIT OR LOSS

Simbag sa Emerhensya Asin Dagdag Paseguro Mutual Benefit Association (SEDP MBA), Inc.
(With Comparative Figures for the Year Ended December 31, 2015)

Year Ended December 31	**2016**	2015 *(As Restated) (Note 11)*
REVENUE		
Members' gross premium contributions *(Note 13)*	**₱50,606,885**	₱46,701,191
Less contributions to Guaranty Fund *(Note 11)*	**2,530,344**	2,335,060
Net members' premium contributions	**48,076,541**	44,366,131
Interest and investments income *(Notes 4 and 6)*	**3,518,539**	2,847,456
Membership fees *(Note 13)*	**1,270,615**	1,439,418
Other income	**234,685**	4,519
Total Revenue	**53,100,380**	48,657,524
BENEFITS AND OPERATING EXPENSES		
Benefits and claims paid to members	**20,554,854**	19,014,482
Increase in aggregate reserves for unexpired risks *(Note 10)*	**14,500,204**	12,792,538
Collection costs *(Note 9)*	**3,509,212**	3,082,308
Net insurance benefits and claims	**38,564,270**	34,889,328
Salaries, wages, and employees' benefits *(Note 14)*	**1,971,865**	1,666,281
General and administrative expenses *(Note 15)*	**1,888,201**	2,017,857
Depreciation *(Note 6)*	**55,902**	63,435
Total Benefits and Operating Expenses	**42,480,238**	38,636,901
PROFIT FOR THE YEAR	**₱10,620,142**	₱10,020,623

See Notes to Financial Statements.

STATEMENT OF CHANGES IN FUND BALANCES

Simbag sa Emerhensya Asin Dagdag Paseguro Mutual Benefit Association (SEDP MBA), Inc.

(With Comparative Figures as of December 31, 2015)

December 31	**2016**	2015 *(As Restated) (Note 11)*
GUARANTY FUND *(Note 11)*		
Opening balances, as originally stated	**₱16,000,000**	₱15,270,000
Adjustment to restate 2015 contributions	**(712,875)**	(2,317,935)
Opening balances, as restated	**15,287,125**	12,952,065
5% Contributions during the year	**2,530,344**	2,335,060
Closing balances	**17,817,469**	15,287,125
APPROPRIATED SPECIAL FUNDS *(Note 12)*		
Research & Development Fund	**3,526,323**	3,526,323
Acquisition of Systems & Equipment	**2,570,436**	2,570,436
Capacity Building Fund	**2,375,569**	3,375,569
Members' Benefits	**2,971,705**	275,419
Member's Education Fund	**1,792,086**	2,139,106
Social & Community Development	**785,984**	935,984
Closing balances	**14,022,103**	12,822,837
GENERAL FUND		
Opening balances, as originally stated	**34,857,272**	25,227,589
Adjustment to return funds from Guaranty Fund *(Note 11)*	**712,875**	2,317,935
Prior period adjustments	**–**	(1,996,000)
Opening balances, as restated	**35,570,147**	25,549,524
Appropriations to Special Funds *(Note 12)*	**(3,246,709)**	–
Profit for the year	**10,620,142**	10,020,623
Closing balances	**42,943,580**	35,570,147
	₱74,783,152	₱63,680,109

See Notes to Financial Statements

STATEMENT OF CASH FLOWS

Simbag sa Emerhensya Asin Dagdag Paseguro Mutual Benefit Association (SEDP MBA), Inc.
(With Comparative Figures for the Year Ended December 31, 2015)

Year Ended December 31	**2016**	2015 *(As Restated) (Note 11)*
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	**₱10,620,142**	₱10,020,623
Add back adjustments for:		
Increase in aggregate reserves for unexpired risks *(Note 10)*	**14,500,204**	12,792,538
Depreciation *(Note 6)*	**55,902**	63,435
Interest and investment income *(Notes 4 and 6)*	**(3,518,539)**	(2,847,456)
Operating income before changes in working capital	**21,657,709**	20,029,140
Add (deduct) changes in working capital excluding cash and cash equivalents:		
Decrease in trade and other receivables *(Note 5)*	**10,126,143**	578,149
Increase in insurance contract liabilities *(Note 9)*	**72,050**	(294,414)
Increase in trade and other payables *(Note 8)*	**2,058,041**	2,224,578
Net Increase in Cash from Operating Activities	**33,913,943**	22,537,453
CASH FLOWS FROM FINANCING ACTIVITIES		
Appropriations to special funds	**(3,246,709)**	(2,503,786)
Increase in guaranty fund *(Note 11)*	**2,530,344**	2,335,060
Members' withdrawal of equity	**1,199,266**	–
Direct charges to General Fund	**–**	(2,086,786)
Net Cash Provided from (Used for) Financing Activities	**482,901**	(2,255,124)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in held to maturity investments *(Note 7)*	**(27,066,964)**	(47,881,664)
Interest and investment income *(Notes 4 and 7)*	**3,518,539**	2,847,456
Additions to property and equipment *(Note 6)*	**(64,430)**	(51,673)
Net Cash Used for Investing Activities	**(23,612,855)**	(45,085,881)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**10,783,989**	(24,803,552)
OPENING CASH AND CASH EQUIVALENTS	**62,201,270**	87,004,822
CLOSING CASH AND CASH EQUIVALENTS *(Note 4)*	**₱72,985,259**	₱62,201,270

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

Simbag sa Emerhensya Asin Dagdag Paseguro Mutual Benefit Association (SEDP MBA), Inc.
As of and the Years Ended December 31, 2016
(With Comparative Figures as of and for the Year Ended December 31, 2015)

Note 1
Organization and Tax Exemption

The Simbag sa Emerhensya Asin Dagdag Paseguro Mutual Benefit Association (SEDP MBA), Inc. (referred to in the following sections as 'Association') was organized by the members of Simbag sa Emerhensya Asin Dagdag Paseguro, Inc., "to extend financial assistance to its members, spouse, siblings, children and parents in the form of death benefits, sickness benefits, provident savings and loan redemption assistance; to ensure continued access to benefits/resources by actively involving the members in the management of the Association that will include the implementation of policies and procedures geared towards sustainability and improved services. It was registered with the Securities and Exchange Commission (SEC) on February 17, 2009 and obtained its secondary license from the Insurance Commission (IC) on August 27, 2009.

The Association is governed by a Board of Trustees which receives no compensation. It devotes all its incomes for the purposes enumerated in its Articles of Incorporation. As at December 31, 2016, the Association has a total membership of 47,909.

It is holding office at the 3rd Floor of The Chancery Building, Cathedral Compound, Albay District, Legazpi City, Albay, free of charge, but its shares for the cost of utilities.

In accordance with Section 30 (C) of the National Internal Revenue Code, as amended, the Association is exempted from the payment of taxes from income derived by it.

Note 2
Summary of Significant Accounting Policies

The significant accounting policies that have been used in the preparation of these financial statements are summarized below.

Statement of Compliance
The financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis of Preparation
The accompanying financial statements have been prepared using the historical cost basis. The financial statements are presented in Philippine peso, which is the Association's functional and presentation currency and all values are recorded to the nearest peso except when otherwise indicated. The accounting policies used in preparing these financial statements have been consistently applied since the previous period.

The preparation of the financial statements made use of estimates, assumptions and judgments by management based on management's best knowledge of current and historical facts as at statement of financial condition date. These estimates and judgments affect the reported amounts of assets and liabilities and contingent liabilities as at statement of financial condition date, as well as affecting the reported income and expenses for the year. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

New and Amended Standards and Interpretations
In the current year, the Association has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after January 1, 2016. These standards become the PFRSs when adapted.

Amendments to IFRSs that are mandatorily effective for the current year

Amendments to IFRS 10, IFRS 12 and IAS 28 'Investment Entities: Applying the Consolidation Exception
The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary providing services to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

The application of these amendments has had no impact on the Association's financial statements as the Association is not an investment entity and does not have any holding company, subsidiary, associate of joint venture that qualifies as an investment entity.

Amendments to IFRS 11 'Accounting for Acquisitions of Interest in Joint Operations
The amendments provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 'Business Combinations'. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The application of these amendments has had no impact on the Association's financial statements as the Association did not have any such transactions during the year.

Amendments to IAS1 'Disclosure Initiatives'.
The amendments clarify that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

In addition, the amendments clarify that an entity's share of the other comprehensive income of associates and joint ventures accounted for using the equity method should be presented separately from those arising from the Association, and should be separated into the share of items that, in accordance with other IFRSs: (i) will not be reclassified subsequently to profit or loss, and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

As regards the structure of the financial statements, the amendments provide examples of systematic ordering or grouping of the notes.

The Association has applied these amendments for the first time in the current year. The application of these amendments has not resulted in any impact on the financial performance or financial position of the Association.

Amendments to IAS 16 and IAS 38 'Clarification of Acceptable Methods of Depreciation and Amortization'
The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. This presumption can only be rebutted in the following two limited circumstances: (i) when the intangible asset is expressed as a measure of revenue, or (ii) when it can be demonstrated that revenue and consumption of the economic benefit of the intangible asset are highly correlated.

The Association already uses the straight-line method for depreciation and amortization for its property and equipment; the application of these amendments has had no impact on the Association's financial statements.

Amendments to IAS 16 and IAS 41 'Agriculture: Bearer Plants'
The amendments define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

The application of these amendments has had no impact on the Association's financial statements in 2016 as the Association does not have bearer plants.

Annual Improvements to IFRSs 2012-2014 Cycle
The *Annual Improvements to IFRSs 2012-2014* include a number of amendments to various IFRSs, which are summarized below.

The amendments to IFRS 5 introduce specific guidance to IFRS 5 for when an entity reclassifies an asset from held for sale to be held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in IFRS 5 regarding the change of sale plan do not apply. The amendments also clarify the guidance for when held-for distribution accounting is discontinued.

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendments to IFRS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used.

The application of these amendments has had no impact on the Association's financial statements.

New and Revised IFRSs in Issue but not yet Effective
The Association has not yet applied the following new and revised IFRSs that have been issued but not yet effective:

- IFRS 9 'Financial Instruments'
- IFRS 15 'Revenue from Contracts with Customers (and the related Clarifications)'
- IFRS 16 'Leases'
- Amendments to IFRS 2 'Classification and Measurement of Share-based Payment Transactions'
- Amendments to IFRS 10 and IAS 28 'Sale or Contribution of Assets between an Investor and its Associate of Joint Venture'
- Amendments to IAS 7 'Disclosure Initiative'
- Amendments to IAS 12 'Recognition of Deferred Tax Assets for Unrealized Losses'

IFRS 9 'Financial Instruments'
IFRS 9 issued on November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category by certain simple debt instruments. IFRS 9 will become effective for annual periods beginning on or after January 1, 2018.

The Association management is presently conducting analysis on the impact of IFRS 9 to the Association's financial statements.

IFRS 15 'Revenue from Contracts with Customers'
IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *'Revenue'*, IAS 11 *'Construction Contracts'* and the related interpretations when it becomes effective for annual periods beginning on or after January 1, 2018.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The management of the Association is still in the process of assessing the full impact of the application of IFRS 15 on the Association's financial statements and it is not practicable to provide a reasonable financial estimate of the effect until the completion of the detailed review.

IFRS 16 Leases
IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognized for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The management of the Association is still in the process of assessing the full impact of the application of IFRS 16 on the Association's financial statements and it is not practicable to provide a reasonable financial estimate of the effect until the completion of the detailed review.

Amendments to IFRS 2 'Classification and Measurement of Share-based Payment Transactions'
The amendments clarify the following:

1) In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.

2) Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled hand it not included the net settlement feature.

3) A modification of a share-based payment that changes the transactions from cash-settled to equity-settled should be accounted for as follows: (i) the original liability is derecognized; (ii) the equity-settled share-based payment is recognized at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and (iii) any difference between the carrying amount of the liability at the modification date and the amount recognized in equity should be recognized in profit or loss immediately.

The amendments are effective for annual reporting periods beginning on or after January 1, 2018, with earlier application permitted. Specific transition provisions apply. The management of the Association does not anticipate that the application for the amendments in the future will have a significant impact on the Association's financial statements as the Association does not have any cash-settled share-based payment arrangements or any withholding tax arrangements with tax authorities in relation to share-based payments.

Amendments to IFRS 10 and IAS 28 'Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture
The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted.

The management of the Association does not anticipate any impact on the Association's financial statements of the amendments since there are no such transactions presently.

Amendments to IAS 7 'Disclosure Initiative'
The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments apply prospectively for annual periods beginning on or after January 1, 2017 with earlier application permitted.

The management of the Association does not anticipate that the application of these amendments will have a material impact on the Association's financial statements.

Amendments to IAS 12 'Recognition of Deferred Tax Assets for Unrealized Losses'
The amendments clarify the following:

1) Decreases below cost in the carrying amount of a fixed-rate debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference, irrespective of whether the debt instrument's holder expects to recover the carrying mount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay all the contractual cash flows;

2) When an entity assesses whether taxable profits will be available against which it can utilize a deductible temporary difference, and the tax law restricts the utilization of losses to deduction against

income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;

3) The estimate of probable future taxable profit may include the recovery of some of an entity's assets form more than carrying amount if there is sufficient evidence that it is probable that the entity will achieve this; and

4) In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.

The amendments apply restrospectively for annual periods beginning or after January 1, 2017 with earlier application permitted. The management of the Association does not anticipate that the application of these amendments will have a material impact on the Association's financial statements.

Fair Value Measurement

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Association uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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 and are subject to an insignificant risk of changes in value and are free of any encumbrances.

Financial Assets
Financial assets, which are recognized when the Association becomes a party to a contractual term of the financial instrument, include cash and other financial instruments. The Association classifies its financial assets in the following categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Association commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. The Association has no financial assets at FVTPL, AFS financial assets.

The available financial assets of the Association are HTM investments and loans and receivables.

- *Loans and Receivables*
  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise with the Association provides money, goods and services directly to the debtor with no intention of trading the receivables. Included in this category are financial assets arising from direct loans to customers, sales contract receivables and all receivables from customers and other banks (due from other banks). They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

  Loans and receivables are measured upon initial recognition at fair value plus transactions costs that are directly attributable to the acquisition of the loans and receivables. After initial recognition, the loans and receivables are measured at amortized cost using the effective interest method.

- *HTM Investments*
  This category includes non-derivative financial assets with fixed or determinable payments and a fixed date of maturity that the Association has the positive intention and ability to hold on to maturity. Investments intended to be held for an undefined period are not included in this category. The recorded HTM investments at the end of the year consist substantially of government debt securities.

  Subsequent to initial recognition, HTM investments are measured at amortized costs using effective interest method, less impairment losses, if any. Impairment loss, which is the difference between the carrying value and the present value of estimated cash flows of the investment, is recognized when there is objective evidence that the investment has been impaired. Any changes to the carrying amount of the investment due to impairment are recognized in profit or loss.

Impairment of Financial Assets
For assets carried at amortized cost, the Association assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Association may measure impairment on the basis of an instrument's fair value using an observable market price. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the statement of profit or loss.

An allowance for impairment losses is maintained at a level considered adequate to provide potential losses on loans and other receivable from borrowers. The allowance is increased by provisions charged to expense and reduced by net write-offs and reversals. The level of allowance is based on higher management evaluation of potential losses and after consideration of prevailing and anticipated economic conditions and evaluation of potential losses based on existing guidelines of the BSP.

If there is an objective evidence that an impairment loss on HTM securities has been incurred, the amount of loss is measured as the difference between the security's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the security's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of impairment loss for the period shall be recognized in profit or loss under the account "Provision for Credit Losses".

Financial Liabilities
Financial liabilities include trade and other payables, which are measured at amortized cost using effective interest rate method. Financial liabilities are recognized when the Association becomes a party to the contractual agreement of the instrument. Trade and other payables and deposit liabilities are initially recognized at their nominal value and subsequently measured at amortized cost less settlement payments. Financial liabilities are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration.

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the resulting net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Derecognition of Financial Assets and Liabilities
A financial assets is derecognized when (a) the rights to receive cash flows from the asset have expired; (b) the Association retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a pass-through arrangement; or (c) the Association has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability expires, 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.

Furniture, Fixtures and Office Equipment
Furniture, fixtures and office equipment are stated at cost less accumulated depreciation. Such cost includes the cost of replacing part of such furniture, fixtures and office equipment when that cost is incurred, if the recognition criteria are met. Interests incurred on borrowed funds used to finance the construction of properties during the construction period are capitalized. Other borrowing costs are expensed. An item of furniture, fixtures and office equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as

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

Depreciation is computed on the straight-line method over the estimated useful lives of the assets, which is five (5) years.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is credited or charged to income. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits arising from the renovations will flow to the organization.

The carrying values of Association's furniture, fixtures and office equipment are reviewed for impairment when changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The recoverable amount of Association's furniture, fixtures and office equipment is the greater of net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's-length transaction.

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

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

Actuarial Policies
Actuarial liabilities (reserves for life policy and members' equity) are computed by the Consulting Actuary of the Association using actuarial practices generally accepted in the Philippines. Actuarial liabilities and other policy liabilities represent the estimated amounts which, together with estimated future premiums and net investment income, will provide for outstanding claims, estimated future benefits, and expenses on in-force policies. In calculating actuarial liabilities, assumptions must be made about the timing and amount of many events, including death, investment, inflation, policy termination, expenses, taxes, premiums/ commissions.

The Association uses best estimate assumptions for expected future experience. Uncertainty is inherent in the process, as no one can accurately predict the future. Some assumptions relate to events that are anticipated to occur many years in the future and are likely to require subsequent revision. Additional provisions are included in the actuarial liabilities to provide for possible adverse deviations from the best estimates. If the assumption is more susceptible to change or if the actuary is less certain about the underlying best estimate assumption, a correspondingly larger provision is included in the actuarial liabilities.

In determining these provisions, the Association ensures: (a) when taken one at a time, the provision is reasonable with respect to the underlying best estimate assumption, and the extent of uncertainty present in making that assumption, and (b) in total, the cumulative effect of all provisions is reasonable with respect to the total actuarial liabilities. With the passage of time and resulting reduction in estimation risk, the provisions are released into income. The best estimate assumptions and margins for adverse deviations are reviewed annually and revisions are made where deemed necessary and prudent.

Recording of Claims from Policyholders
Claims incurred comprise settlement and handling costs of paid and outstanding claims arising during the year and adjustments to prior year claim provisions. Outstanding claims comprise claims incurred up to, but not paid, at the end of the year, whether reported or not. Reinsurance recoveries, if any, are accounted for in the same period as the related claim.

Income and Cost Recognition
The Association recognizes income and expenses as follows:

(a) Premium contributions are recorded as income in the period in which the risk commences. The proportion of the premiums written relating to periods of risk after the reporting date is carried forward to subsequent accounting periods as unearned premiums, so that earned premiums relate to risks carried during the accounting period.

(b) Members' gross contributions are allocated as follows:
- 50% goes to the reserve for members' equity, intended for members' entitlements of equity value upon payment of the first contribution to the Association, representing 50% of the total membership dues collected;
- 35% goes to cover basic benefits of members;
- 5% goes to Guarantee Fund, and
- the remaining 10% goes to general operations, to cover administrative costs.

(c) Interests earned from bank deposits are carried in the books net of taxes.

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

(e) Cost and expenses are recognized in the income statement upon utilization of the service or at the date they are incurred.

Leases
The Association determines whether an arrangement is, or contains a lease based on the substance of the arrangements. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys the right to use the asset.

The Association accounts for its rental of office space as operating lease. The Association's lease to the building does not transfer to the Association all the risks and benefits of ownership of the assets. Operating lease payments are recognized as expense in the income statement on a straight-line basis over the lease term. The Association however enjoys free use of the facilities of the Roman Catholic Bishop of Legaspi, Inc. but shares on the utilities of the facilities.

For capitalized leasehold improvements, the Association depreciates the assets over the shorter of the estimated useful lives of the asset or the lease term.

Employee Benefits
The Association does not provide its employees with post-employment benefits. The Association's employees are provided with the following benefits:

- *Retirement Benefit Obligation*
  Retirement benefits are provided to the Association's employees at the time of their retirement computed largely based on the provisions of R.A. 7641, *An Act Amending Article 287 of*

Presidential Decree No. 442, as Amended, Otherwise Known as the Labor Code of the Philippines, by Providing for Retirement Pay to Qualified Private Sector Employees in the Absence of any Retirement Plan in the Establishment. The computation of the retirement benefits due to each employee is based on the employees' compensation and number of years in service. This simple calculation is a measure of the Association's obligation called the accumulated benefit obligation method (as opposed to the projected credit unit method). Under this simplified method, the Association ignores factors such as estimated future salary increases, future service of current employees and possible in-service mortality of current employees between reporting date and date the employees are expected to retire. The Association feels that the amount derived by this simplified computation represents the approximation of its liability to all its regular employees.

The Association's retirement benefit program, although not based on the provisions of PAS/IAS 19, *Employees Benefits* and PAS/IAS 26, *Accounting and Reporting by Retirement Benefit Plans,* is a defined benefit plan, which is a retirement plan that defines an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for the benefits of the retirement plan remains with the Association, even if plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long-term benefit fund, as well as qualifying insurance policies. The Association's defined benefit retirement plan covers all regular full personnel. The retirement plan is noncontributory and is presently unfunded.

- *Termination Benefits*

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

- *Compensated Absences*

  Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the statement of financial condition date. The amounts recognized are included in Trade and Other Payables account in the statement of financial condition at the undiscounted amount that the Association expects to pay as a result of the unused entitlement.

Provisions and Contingent Liabilities

Provisions, if any, are recognized when the Association has legal or constructive obligations as a result of a past event: it is probable that an outflow of resources will be required to settle the obligation and estimate can be made of the amount obligation. Provisions are recognized when present obligation will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the statement of financial condition date, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain as a separate asset, not exceeding the amount of related provision.

Provisions are reviewed at each statement of financial condition date and adjusted to reflect the current best estimate. In those cases where the possible outflow of the economic resources as a result of present obligation is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the consolidated financial statements. Probable inflows of economic benefits that do not yet meet the recognition criteria of the asset are considered contingent assets, hence, are not recognized in the financial statements. No contingent liabilities have been incurred during the year.

Events After the End of the Reporting Period
Any post year-end events that provide additional information about the Association's financial position at the end of the reporting period (adjusting events), are reflected in the financial statements. Post year-end events that are not adjusting events, if any, are disclosed in the notes to financial statements when material.

Note 3
Significant Accounting Estimates and Judgments

The preparation of the financial statements in accordance with PFRS requires the Association to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets 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. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following critical accounting estimates and judgments may be applicable, among many other possible areas not presented in the Association's financial statements:

Allowance for Impairment of Insurance Receivable
Allowance is made for specific accounts, where objective evidence of impairment exists. The Association evaluates these accounts based on available facts and circumstances, including, but not limited to, the length of the Association's relationship with the customers, the customers' current credit status based on known market forces, average age of accounts, collection experience, and historical loss experience. The recorded losses for any period would therefore differ based on the judgments and estimates made.

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

Impairment of Non-financial Assets
The Association assesses the impairment of its non-financial assets whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and the value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. For impairment loss on specific asset, the recoverable amount represents the net selling price. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Bank is required to make estimates and assumptions that can materially affect the Association's financial statements.

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

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

Note 4
Cash and Cash Equivalents

This account is composed of the following:

December 31	**2016**	2015
Short-term investments	**₱54,139,545**	₱49,710,452
Cash in banks	**18,815,714**	12,460,818
Revolving Fund	**30,000**	30,000
	₱72,985,259	₱62,201,270

The cash in banks include the Guaranty Fund required by the Insurance Commission to be maintained by the Association. The cash in banks earn interest at the prevailing market rates. The effective interest rate on short-term investments ranges from 0.10% to 4.125%, maturing in 90 days to 365 days.

Interest earned on cash and cash equivalents amounted ₱1,040,611 in 2016 and ₱3,002,006 in 2015.

Note 5
Trade and Other Receivables

This account consists of the following:

December 31	**2016**	2015
Accrued interest receivable	**₱701,138**	₱772,620
Unused office supplies	**64,873**	70,303
Accounts receivable – others	**50,667**	44,667
Receivables from agents	**44,389**	–
Advances to officers and employees	**8,980**	105,600
Prepayments	**–**	3,000
Notes receivable	**–**	10,000,000
	₱870,047	₱10,996,190

The receivables are non-interest bearing and are normally collectible within the year. The notes receivable in 2015 was granted to SEDP-Simbag sa Pag-Asenso, Inc. with a term of one (1) year and interest rate of 6% per annum. The receivable was fully settled in early 2016.

Management believes the accounts were not impaired at the end of the year.

Note 6
Furniture, Fixtures and Office Equipment

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

December 31	**2016**	2015
IT equipment	**₱466,760**	₱402,330
Furniture, fixtures and office equipment	**169,117**	169,117
	635,877	571,447
Less accumulated depreciation	**541,603**	485,701
	₱94,274	₱85,746

The Association enjoys free use of the building facilities of the Roman Catholic Bishop of Legaspi, Inc. It shares on the costs of monthly utilities of the building.

The accounting of the movements of the accounts during the year follows:

December 31, 2016	*Opening Balance*	*Additions*	*Retirement*	***Closing Balance***
Cost				
IT equipment	₱402,330	₱64,430	₱–	**₱466,760**
Furniture, fixtures and office equipment	169,117			**169,117**
	571,447	64,430		**635,877**
Accumulated Depreciation				
IT equipment	324,226	48,259		**372,485**
Furniture, fixtures and office equipment	161,475	7,643		**169,118**
	485,701	55,902		**541,603**
Net Book Value	₱85,746	₱8,528	₱–	**₱94,274**
December 31, 2015				
Cost				
IT equipment	₱350,657	₱51,673	₱–	**₱402,330**
Furniture, fixtures and office equipment	169,117			**169,117**
	519,774	51,673		**571,447**
Accumulated Depreciation				
IT equipment	276,702	47,524		**324,226**
Furniture, fixtures and office equipment	145,564	15,911		**161,475**
	422,266	63,435		**485,701**
Net Book Value	₱97,508	(₱11,762)	₱–	**₱85,746**

Note 7
Held-to-Maturity Investments

This account consists of the following investments managed by the following banks:

December 31	**2016**	2015
Philippine National Bank (PNB)	**₱28,000,000**	₱33,000,000
Banco de Oro (BDO)	**25,724,973**	9,711,208
Metropolitan Bank & Trust Company (MBTC)	**24,830,305**	12,927,033
Rizal Commercial & Banking Corporation (RCBC)	**10,000,000**	5,931,443
Security Bank	**9,881,791**	9,853,968
Bank of the Philippine Islands (BPI)	**9,781,559**	9,728,012
	₱108,218,628	₱81,151,664

The natures of the investments are as follows:

a) The investments in Philippine National Bank (PNB) represent debt securities with coupon rates at 3.25% to 3.625% and will mature on August 15, 2023. It also includes Unsecured Subordinated Notes with a face value of ₱5 million, at 5.875% interest per annum.

b) The money placements with Banco de Oro represent debt securities that will mature on September 20, 2026.

c) The money placements with Metropolitan Bank and Trust Company (MBTC) represent debt securities with coupon rates at 3.25% to 3.50% with maturities on March 20, 2021 and March 21, 2023.

d) The investment in Rizal Commercial & Banking Corporation (RCBC) represents fixed rate bond at 5.9721% which will mature on December 15, 2026.

e) The money placement with Security Bank represents debt securities with a coupon rate at 3.25% which will mature on August 15, 2023.

f) The money placement with Bank of the Philippine Islands represents debt securities with a coupon rate at 3.6351% which will mature on August 15, 2023.

The Association earned interest income from HTM investments of ₱2,477,928 in 2016.

Note 8
Trade and Other Payables

This account consists of the following:

December 31	**2016**	2015
Unearned premiums	**₱6,184,285**	₱4,659,124
Accrued expenses	**3,400,459**	3,045,748
Accounts payable – others	**780,940**	737,793
Retirement benefit obligations	**451,320**	290,288
Unremitted contributions to Government agencies	**43,357**	69,367
	₱10,860,361	₱8,802,320

Unearned premiums
The contributions from members collected in advance are recorded as liability of the Association.

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

Total pension expenses charged to operations amounted to ₱161,033 in 2016 and ₱68,008 in 2015.

Note 9
Insurance Contract Liabilities

This consists of the following:

December 31	**2015**	2014
Claims incurred but not reported	**₱656,500**	₱295,600
Claims due and unpaid	**8,000**	296,850
	₱664,500	₱592,450

Incurred but not reported claims are claims reported beyond the reporting date whose date of claim happened three months before the reporting date. For 2016, claims reported in the months of November 2016, December 2016 and January 2017 whose date of death/claim is before November 1, 2016, are included in this category.

Claims due and unpaid benefits represent claim benefits that have been processed and that the Association recognizes liability on the claims by the member or its beneficiaries.

The amounts recorded as insurance contract liabilities were certified by the Association's Actuary to be in accordance with sound actuarial principles.

Note 10
Aggregate Reserves for Unexpired Risks

This consists of the following reserves:

December 31	**2016**	2015
Reserves for members' equity	**₱93,784,859**	₱79,230,536
Reserves for credit policies	**1,907,787**	1,735,943
Reserves for life policies	**167,549**	393,512
	₱95,860,195	₱81,359,991

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

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

December 31, 2016	*Reserves for Members' Equity*	*Reserves for Credit Policies*	*Reserves for Life Policies*	***Total***
Provisions during 2014	₱65,986,915	₱2,351,536	₱1,206,266	**₱69,544,717**
Provisions during 2015	13,243,621	(615,593)	(812,754)	**11,815,274**
Provisions during 2016	14,554,323	171,844	(225,963)	**14,500,204**
	₱93,784,859	₱1,907,787	₱167,549	**₱95,860,195**

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

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

The amount of aggregate reserves for members' equity and reserves for life policies for the period ended December 31, 2016 have been computed and certified by the Consulting Actuary of the Association to be in accordance with commonly accepted actuarial standards consistently applied and that the legal policy reserves and other actuarial items are fairly stated in accordance with sound actuarial principles.

Note 11
Guaranty Fund

This represents the amount required by the Insurance Commission (IC) to be established as a guaranty of the benefits and security of policyholders and creditors of the Association, in accordance with the provisions of the Insurance Code of the Philippines, deposited in a local depository bank. (See Note 4.). The Association complied with the IC requirements using its own saved funds. The Fund is increased by the 5% contributions from members.

The following is the accounting of the Guaranty Fund:

December 31	**2016**	2015
Opening balances	**₱15,287,125**	₱12,952,065
Members' contributions representing 5% of total premiums received	**2,530,344**	2,335,060
Closing balances	**₱17,817,469**	₱15,287,125

The Guaranty Fund is funded by the following:

December 31	**2016**	2015
Short-term investments *(Note 4)*	**₱16,000,000**	₱16,000,000
Portion of cash in banks and time deposits *(Note 4)*	**1,817,469**	–
	₱17,817,469	₱16,000,000

Restatement of Guaranty Fund Opening Balances
The balances of the Guaranty Fund reported in 2014 and 2015 have been restated from amounts previously reported to tie-up the amount to the amount computed by the Insurance Commission as the correct balances of the accounts in 2014 and 2015. Accordingly, the amount of excess in those years has been returned to General Fund where it was originally taken when the Guaranty Fund was initially set-up.

The Guaranty Fund is maintained in a time deposit account with a local government bank.

Note 12
Special Funds

In accordance with the recommendations of the Insurance Commission, the Association's Board of Trustees approved appropriations of the following special funds from the General Fund:

December 31	**2016**	2015
Research and Development Fund	**₱3,526,323**	₱3,526,323
Members' Benefits Fund	**2,971,705**	275,419
Acquisition of Systems and Equipment	**2,570,436**	2,570,436
Capacity Building Fund	**2,375,569**	3,375,569
Members' Education Fund	**1,792,086**	2,139,106
Social & Community Development Fund	**785,984**	935,984
	₱14,022,103	₱12,822,837

The movements of the appropriated funds during 2016 and 2015, as follows:

December 31, 2016	*Beg. Balance*	*Allocations*	*Disbursements*	*End Balance*
Members' Benefits Fund	₱275,419	₱3,246,709	₱550,423	**₱2,971,705**
Research and Development Fund	3,526,323		–	**3,526,323**
Capacity Building Fund	3,375,569		1,000,000	**2,375,569**
Acquisition of Systems and Equipment	2,570,436		–	**2,570,436**
Members' Education Fund	2,139,106		347,020	**1,792,086**
Social & Community Development Fund	935,984		150,000	**785,984**
	₱12,822,837	₱3,246,709	₱2,047,443	**₱14,022,103**

(Carried Forward.)

(Brought Forward.) *December 31, 2015*	*Beg. Balance*	*Allocations*	*Disbursements*	*End Balance*
Members' Benefits Fund	₱2,535,318	₱2,000,000	₱4,259,899	**₱275,419**
Research and Development Fund	3,526,323			**3,526,323**
Capacity Building Fund	3,396,319		20,750	**3,375,569**
Acquisition of Systems and Equipment	2,793,572		223,136	**2,570,436**
Members' Education Fund	2,139,106			**2,139,106**
Social & Community Development Fund	935,984			**935,984**
	₱15,326,622	₱2,000,000	₱4,503,785	**₱12,822,837**

The appropriated funds are funded by the cash and cash equivalents of the Association.

Note 13
Members' Premium Contribution

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

a. 50% is allocated as reserve for members' equity intended for the members' entitlements of equity value;

b. 35% is intended to cover basic benefits such as payments for death or permanent disability claims of a member or its legal spouse below sixty-six (66) years old; or four (4) single, biological and/or legally adopted children who are two weeks old but not more than twenty one (21) years old single, disabled and incapacitated to work. If single without children, the members' legal dependents include the member's biological parents not more than 65 years. If a member's parents are both deceased upon membership, the member can declare two (2) eldest siblings, at least two (2) weeks old but not more than twenty-one (21) years old.

c. 5% is intended as additional guaranty fund, and (d) 10% is intended to cover administrative costs and expenses.

The members are also charged with one-time membership fee of ₱150, which is non-refundable and does not form part of the members' accumulated and refundable contributions. The amount is treated as income to finance part of the requirements for general and administrative expenses not covered by the 10% allocation from gross premium contributions.

Gross premiums on credit life insurance are income from loans on member's which are included in the monthly payments of the loans. The amount of contribution is based on the principal amount and term of loans.

The Association's withdrawal of equity amounted to ₱6,654,096 in 2016 and ₱7,667,288 in 2015.

Note 14
Details of Salaries, Wages and Employees' Benefits

Year Ended December 31	**2016**	2015
Salaries and wages	**₱1,200,060**	₱1,158,875
Employees' benefits	**771,805**	507,406
	₱1,971,865	₱1,666,281

Note 15
Details of General and Administrative Expenses

Year Ended December 31	2016	2015
Meetings and seminars	**₱590,536**	₱564,400
General assembly expenses	**287,288**	233,233
Association dues	**257,980**	298,015
Repairs and maintenance	**173,593**	121,275
Supplies and materials	**147,755**	220,253
Transportation and travel	**144,005**	224,395
Taxes and licenses *(Note 23)*	**112,575**	182,265
Professional fees	**90,000**	90,000
Communication	**31,368**	36,361
Insurance	**8,400**	8,376
Miscellaneous expenses	**44,701**	39,284
	₱1,888,201	₱2,017,857

Note 16
Related Party Transactions

In the ordinary course of trade or business, the Association has transactions with its related parties which include its Board of Trustees, members of various committees and its officers and employees, who are also members of the Association. These transactions are made substantially on the same terms and conditions as with other members of comparable risks. The Association accepts insurance business from the borrowers of SEDP-Simbag sa Pag-Asenso, Inc. and authorizes the institution to collect premium contributions from these members for certain commissions. None of the transactions incorporate special terms and conditions and no guarantee is given or received. Outstanding balances are usually settled in cash.

The key management personnel of the Association include all personnel having a position of General Manager and above. The key management compensation follows:

Year Ended December 31	2016	2015
Salaries and wages	**₱368,709**	₱331,838
Employees' benefits	**26,014**	15,706
	₱394,723	₱347,544

Note 17
Fair Value Measurement

Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed
The table in the following page summarizes the fair value hierarchy of the Association's financial assets and financial liabilities which are not measured at fair value in the 2016 statement of financial condition but for which fair value is disclosed.

December 31, 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents *(Note 4)*	₱72,985,259			**₱72,985,259**
Trade and other receivables *(Note 5)*			₱870,047	**870,047**
Held-to-maturity investments *(Note 7)*			108,218,628	**108,218,628**
	₱72,985,259		₱109,088,675	**₱182,073,934**

December 31, 2016	Level 1	Level 2	Level 3	Total
Financial liabilities				
Trade and other payables *(Note 8)*			₱10,860,361	**₱10,860,361**
Insurance contract liabilities *(Note 9)*			664,500	**664,500**
Agg. resrves for unexpired risks *(Note 10)*			95,860,195	**95,860,195**
			₱107,385,056	**₱107,385,056**
December 31, 2015				
Financial assets				
Cash and cash equivalents *(Note 4)*	₱62,201,270			**₱62,201,270**
Trade and other receivables *(Note 5)*			₱10,996,190	**10,996,190**
Held-to-maturity investments *(Note 7)*			81,151,664	**81,151,664**
	₱62,201,270		₱92,147,854	**₱154,349,124**
Financial liabilities				
Trade and other payables *(Note 8)*			₱8,802,320	**₱8,802,320**
Insurance contract liabilities *(Note 9)*			592,450	**592,450**
Agg. resrves for unexpired risks *(Note 10)*			81,359,991	**81,359,991**
			₱90,754,761	**₱90,754,761**

For financial assets and financial liabilities with fair values included in Level 1, management considers that the carrying amounts of those short-term financial instruments equal their fair values. The fair values of the financial assets and financial liabilities included in Level 3 above which are not traded in an active market is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counter-parties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Association uses valuation technique, it maximizes the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

Fair Value Measurement for Non-financial Assets

The table in the following page shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis as of December 31, 2016 and 2015.

December 31, 2016	Level 1	Level 2	Level 3	Total
Furn., fixt. and office equipt (net) *(Note7)*			₱94,274	**₱94,274**
December 31, 2015				
Furn., fixt. and office equipt (net) *(Note7)*			₱85,746	**₱85,746**

The Level 3 fair value of the buildings and improvements included under the Property and Equipment account was determined using the cost approach that reflects the cost to a market participant to construct an asset of comparable usage, construction standards, design and layout, adjusted for obsolescence. The more significant inputs used in the valuation include direct and indirect costs of construction such as but not limited to, labour and contractor's profit, materials and equipment, surveying and permit costs, electricity and utility costs, architectural and engineering fees, insurance and legal fees. These inputs were derived from various suppliers and contractor's quotes, price catalogues, and construction price indices. Under this approach, higher estimated costs used in the valuation will result in higher fair value of the properties.

Note 18
Risk Management Objectives and Policies

The Association is exposed to a variety of risks in performing its activities. Its risk management is coordinated by its Board of Trustees. It is principally exposed to insurance risk, the risk that the actual claims and benefit payments exceed the carrying amount of insurance liabilities. The Association has not accessed the facilities of reinsurers hence it is assuming full responsibility for the insurance risks.

The Association is also exposed to a variety of financial risks. Its strategy focuses principally on securing short to medium term cash flows by minimizing exposures to financial markets. The Association does not actively engage in the trading of financial assets nor does it write options. It has no significant exposure to foreign currency risks as most transactions are denominated in Philippine peso, its functional currency. It likewise has little exposure to interest rate risk as its investments and deposits have fixed interest rates. Its exposure to credit risk is limited to the carrying amount of financial assets recognized at reporting date. Among these assets, the potential effect of losses from its Held-to-maturity investments is significantly reduced by placing the investments in safe Government securities.

As at December 31, 2016, the Association's financial assets are composed of the following:

December 31, 2016	*Neither Past Due Nor Impaired*	*Past Due But Not Impaired*	*Total*
Cash and cash equivalents *(Note 4)*	₱72,985,259	–	**₱72,985,259**
Trade and other receivables *(Note 5)*	870,047		**870,047**
Held-to-maturity investments *(Note 7)*	108,218,628		**108,218,628**
	₱182,073,934	–	**₱182,073,934**
	100%	–	**100%**

The Association is likewise exposed to liquidity or funding risk, the risk that it will encounter difficulty in raising funds to meet commitments associated with financial instruments. It may result from either the inability to sell financial assets quickly at their fair values; or the counterparty failing to repay a contractual obligation; or insurance liabilities falling due for payment earlier than expected; or inability to generate cash inflows as anticipated. Management addresses this issue by maintaining its available cash resources in demand deposits or time deposits that can be pre-terminated anytime and in such volume as to ensure that it meets its obligations on time.

The maturity profile of the Association's financial liabilities is as follows:

December 31, 2016	*Due in One Year*	*Due Over One ear*	***Total***
Trade and other payables *(Note 8)*	₱8,802,320		**₱8,802,320**
Insurance contract liabilities *(Note 9)*	592,450		**592,450**
Agg. resrves for unexpired risks *(Note 10)*		₱81,359,991	**81,359,991**
	₱9,394,770	₱81,359,991	**₱90,754,761**
	10.35%	89.65%	**100.00%**

Note 19
Capital Management Objectives, Policies and Procedures

The Association maintains a certain level of capital to ensure sufficient solvency margins and to adequately protect its members. The Association's Board of Trustees reviews regularly its capital structure and considers the cost of capital and the risks associated with each class of capital. Management regularly monitors the capital requirements of the Association, taking account of future balance sheet growth, profitability, and any anticipated regulatory changes, in order to ensure that the Association is at all times able to meet the forecast future minimum capital requirements. The Association's overall strategy remains unchanged from the past year.

Note 20
Commitments and Contingencies

In the normal course of its operations, the Association makes various commitments and incurs certain contingent liabilities which are not reflected in the accompanying financial statements. Management anticipates no material losses, if any, that may arise from these commitments and contingencies.

Note 21
Events After Reporting Date

There were no events after reporting date that would require disclosures or adjustments on the financial statements of the Association.

Note 22
Approval of Financial Statements

The Association's financial statements as of December 31, 2016, and for the period then ended, were authorized for issue by the Executive Committee of the Board of Trustees on April 12, 2017.

Note 23
Details of Taxes, Licenses and Fees

In accordance with the supplementary information required under Revenue Regulations No. 15-2010, the Association discloses the following:

Year Ended December 31	**2016**	2015
License renewal and filing fees	**₱85,850**	₱176,750
Local taxes/fees (business permits, etc.)	**26,725**	5,515
	₱112,575	₱182,265

SUPPLEMENTARY SCHEDULE TO THE FINANCIAL STATEMENTS

Annex I	Effective Standards and Interpretations Under PFRS as of December 31, 21016, Adopted as of September 30, 2016

EFFECTIVE STANDARDS AND INTERPRETATIONS UNDER PFRS AS OF DECEMBER 31, 2016, ADOPTED AS OF SEPTEMBER 30, 2016

Simbag sa Emerhensya Asin Dagdag Paseguro Mutual Benefit Association (SEDP MBA), Inc.

Effective as of December 31, 2016	*Adopted*	*Not Adopted*	*Not Applicable*
Framework for the Preparation and Presentation of Financial Statements	√		
Conceptual Framework Phase A: Objectives and Qualitative Characteristics	√		
PFRSs Practice Statement Management Commentary	√		
PHILIPPINE FINANCIAL REPORTING STANDARDS			
PFRS 1 (Revised) First-time Adoption of Philippine Financial Reporting Standards			√
Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Joint Controlled Entity or Associate			√
Amendments to PFRS 1: Additional Exemptions for First-time Adopters			√
Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			√
Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			√
Amendments to PFRS 1: Government Loans			√
PFRS 2			√
Share-based Payment			√
Amendments to PFRS 2: Vesting Conditions and Cancellations			√
Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			√
PFRS 3 (Revised) Business Combinations			√
PFRS 4 Insurance Contracts			√
Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			√
PFRS 5 Non-current Assets Held for Sale and Discontinued Operations			√
PFRS 6 Exploration for and Evaluation of Mineral Resources			√
PFRS 7 Financial Instruments: Disclosures	√		
Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	√		
Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	√		
Amendments to PFRS 7: Improving Disclosures about Financial Instruments	√		
Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	√		
Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	√		
Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	√		
PFRS 8 Operating Segments			√
PFRS 9 Financial Instruments (2014 version)*		√	
Amendments to PFRS 9:Mandatory Effective Date of PFRS9 and Transition Disclosures*			
PFRS 10 Consolidated Financial Statements			√
Amendments to PFRS 10, PFRS 12 and PAS 27: Investment Entities			√
Amendments to PFRS 10 and PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*			√
PFRS 11 (Amended) Joint Arrangements			√
Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations*			√

Effective as of December 31, 2016	*Adopted*	*Not Adopted*	*Not Applicable*
PFRS 12 Disclosure of Interests in Other Entities			√
Amendments to PFRS 10, PFRS 12 and PAS 27: Investment Entities			√
PFRS 13 Fair Value Measurement	√		
PFRS 14 Regulatory Deferral Accounts*		√	
PFRS 15 Revenue from Contracts with Customers*		√	
PFRS 16 Leases*			
PHILLIPINE (INTERNATIONAL) ACCOUNTING STANDARDS			
PAS 1 (Revised) Presentation of Financial Statements	√		
Amendment to PAS 1: Capital Disclosures	√		
Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			√
Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	√		
PAS 2 Inventories	√		
PAS 7 Statement of Cash Flows	√		
PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	√		
PAS 10 Events after the Reporting Period	√		
PAS 11 Construction Contracts			√
PAS 12 Income Taxes			
Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets			√
PAS 16 Property, Plant and Equipment	√		
Amendments to PAS 16 and PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization*		√	
Amendments to PAS 16 and PAS 41: Bearer Plants*			√
PAS 17 Leases			√
PAS 18 Revenue	√		
PAS 19 (Amended) Employee Benefits			
Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	√		
Amendments to PAS 19: Defined Benefit Plans: Employee Contributions			√
PAS 20 Accounting for Government Grants and Disclosure of Government Assistance			√
PAS 21 The Effects of Changes in Foreign Exchange Rates			√
Amendment: Net Investment in a Foreign Operation			√
PAS 23 (Revised) Borrowing Costs	√		
PAS 24 (Revised) Related Party Disclosures	√		
PAS 26 Accounting and Reporting by Retirement Benefit Plans			√
PAS 27 (Amended) Separate Financial Statements			√
Amendments to PFRS 10, PFRS12 and PAS27: Investment Entities			√
Amendments to PAS 27: Equity Method in Separate Financial Statements*			√

Effective as of December 31, 2016	*Adopted*	*Not Adopted*	*Not Applicable*
PAS 28 (Amended) Investments in Associates and Joint Ventures			√
PAS 29 Financial Reporting in Hyperinflationary Economies			√
PAS 31 Interests in Joint Ventures			√
PAS 32 Financial Instruments: Disclosure and Presentation	√		
Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			√
Amendment to PAS 32: Classification of Rights Issues			√
Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities			√
PAS 33 Earnings per Share	√		
PAS 34 Interim Financial Reporting			√
Amendment to PAS 34: Interim Financial Reporting and Segment Information for Total Assets and Liabilities*			√
PAS 36 Impairment of Assets	√		
Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets	√		
PAS 37 Provisions, Contingent Liabilities and Contingent Assets	√		
PAS 38 Intangible Assets			√
Amendments to PAS 16 and PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization*		√	
PAS 39 Financial Instruments: Recognition and Measurement	√		
Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	√		
Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			√
Amendments to PAS 39: The Fair Value Option	√		
Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			√
Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			
Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition	√		
Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			√
Amendment to PAS 39: Eligible Hedged Items			√
Amendment to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			√
PAS 40 Investment Property			√
PAS 41 Agriculture			√
PHILIPPINE INTERPRETATIONS			
IFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities			√
IFRIC 2 Members' Share in Co-operative Entities and Similar Instruments			√
IFRIC 4 Determining Whether an Arrangement Contains a Lease			√
IFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			√
IFRIC 6 Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			√

Effective as of December 31, 2016	*Adopted*	*Not Adopted*	*Not Applicable*
IFRIC 7			
Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			√
IFRIC 8 Scope of PFRS 2			√
IFRIC 9 Reassessment of Embedded Derivatives			√
Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			√
IFRIC 10 Interim Financial Reporting and Impairment			√
IFRIC 11 PFRS 2 - Group and Treasury Share Transactions			√
IFRIC 12 Service Concession Arrangements			√
IFRIC 13 Customer Loyalty Programmes			√
IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	√		
Amendments to Philippine Interpretations IFRIC - 14, Prepayments of a Minimum Funding Requirement	√		
IFRIC 15 Agreements for the Construction of Real Estate*			√
IFRIC 16 Hedges of a Net Investment in a Foreign Operation			√
IFRIC 17 Distributions of Non-cash Assets to Owners			√
IFRIC 18 Transfers of Assets from Customers			√
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments			√
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine			√
IFRIC 21 Levies			√
SIC-7 Introduction of the Euro			√
SIC-10 Government Assistance - No Specific Relation to Operating Activities			√
SIC-13 Amendment to SIC - 12: Scope of SIC 12			√
Jointly Controlled Entities - Non-Monetary Contributions by Venturers			√
SIC-15 Operating Leases - Incentives			√
SIC-25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			√
SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease			√
SIC-29 Service Concession Arrangements: Disclosures.			√
SIC-31 Revenue - Barter Transactions Involving Advertising Services			√
SIC-32 Intangible Assets - Web Site Costs			√

**Not early-adopted.*