



2024 ANNUAL REPORT

**Simbag sa Emerhensya asin Dagdag Paseguro
Mutual Benefit Association (SEDPA MBA) Inc.**

2nd Level SEDCen Bldg., Landco Business Park,
Legazpi City, Philippines

MESSAGE FROM THE CHAIRPERSON



REV. FR. JOSE VICTOR E. LOBRIGO
CHAIRPERSON

WHY IS THE CHURCH INVOLVED IN THE MICRO-INSURANCE BUSINESS? To us at SEDP-MBA, the answer is simple: because we would like to serve the poor better. We started with (and still do) various programs for the poorest and most vulnerable – nutrition, disaster response, sustainable agriculture, coastal resource management, among others. Then some 25 years ago we piloted a social enterprise program to support women micro-entrepreneurs with micro-financing, skills training, and other support services. It has succeeded in helping many families of entrepreneurial poor to improve their overall well-being and progress out of poverty. It has since grown into the largest Church-based microfinance NGO in the country today, SEDP Inc.

Getting into micro-insurance, a decision made more than ten years ago, was a natural progression in line with SEDP's mission to empower the poor in the spirit of the Gospel. Micro-insurance, especially in the mode of a members-oriented and members-led mutual benefit association (MBA), provides social protection that addresses vulnerabilities of significant income-loss due to death or illness in the family. Under the umbrella of SEDP MSI (Mutually Supporting Institutions), microfinance and business development services enable our members to move forward to better lives and more opportunities, while micro-insurance helps them sustain these gains by protecting them from setbacks along the way.

Soon we hope to provide more protection relevant to our members' expanding needs, including risks due to climate-induced disasters, even as we seek to continuously improve our services and reach out to more sectors to fill-in their gaps in social protection.

ABOUT OUR INSTITUTION

SEDP MBA is a non-stock non-profit Association registered with the Securities and Exchange Commission (SEC) with Reg. No. CN20092141 and licensed to operate as Micro-insurance-Mutual Benefit Association (Mi-MBA) by the Insurance Commission (IC).

It is a subsidiary of SEDP – Simbag sa Pag-Asenso Inc., (A Microfinance NGO) a microfinance institution which operates primarily in Bicol Region and some part of Samar Province.

SEDP MBA is owned and governed by its members. Implementation of Plans and Priorities are carried by the management and oversees by the Board of Trustees.

MISSION

"IMPROVE SOCIAL PROTECTION FOR SEDP MEMBERS AND LOW INCOME GROUPS"

VISION

"TO BE AMONG THE LEADING MUTUAL MICROINSURANCE PROVIDER IN BICOL"

CORE VALUES

**Christ Centered
Members Satisfaction
Service Excellence**

ORGANIZATIONAL OBJECTIVES

1. **MEMBERS PERSPECTIVE** - To maintain and increase membership for the sustainability of the program and to provide additional social protection programs that will safeguard the members from various risks.
2. **FINANCIAL PERSPECTIVE** - To be financially stable and sustainable by properly monitoring the operational expenses versus the approved budget.
3. **INTERNAL PERSPECTIVE** - Sound governance shall be in-place to maintain good performance and/or exceed the target performance indicators.
4. **LEARNING & GROWTH PERSPECTIVE** - To maintain the good performance of the organization, it is of at most importance, to capacitate the staff and the members of the Board of Trustees by providing training programs, capacity building activities and exposure trips to hone their individual expertise both for their personal and organizations development as a whole.

OUR PRODUCTS

BASIC LIFE INSURANCE PLAN

Basic Life Insurance Plan is the primary product of SEDP MBA which covers life protection to members and their families on unforeseen event especially during untimely death of member and/or his qualified dependents.

With a minimum of Eighty Pesos (P 80.00) monthly contribution the member can avail of the following benefits:


DEATH BENEFIT

DISABILITY BENEFIT

LIVING BENEFIT

DAILY HOSPITALIZATION INCOME BENEFIT (DHIB)

DAKILA PLAN 40



BASIC LIFE INSURANCE (BLIP) TABLE OF BENEFITS							
LENGTH OF CONTINUOUS MEMBERSHIP	CAUSE OF DEATH	DEATH					DISABILITY
		MEMBER	DEPENDENTS				MEMBER
			MARRIED		SINGLE		
			Spouse	Child	Parent	Sibling	
Less than 6 mos.	Sickness/ accident	2,500.00	none	none	none	none	2,500.00
6 mos. But less than 1 year	Sickness	10,000.00	5,000.00	2,000.00	5,000.00	2,000.00	10,000.00
	accident	20,000.00	10,000.00	4,000.00	10,000.00	4,000.00	
1 year but less than 2 years	sickness	20,000.00	7,500.00	4,000.00	7,500.00	4,000.00	20,000.00
	accident	40,000.00	15,000.00	8,000.00	15,000.00	8,000.00	
2 years but less than 3 years	sickness	30,000.00	10,000.00	6,000.00	10,000.00	6,000.00	30,000.00
	accident	60,000.00	20,000.00	12,000.00	20,000.00	12,000.00	
3 years and above	sickness	50,000.00	15,000.00	10,000.00	15,000.00	10,000.00	50,000.00
	accident	100,000.00	30,000.00	20,000.00	30,000.00	20,000.00	

CREDIT LIFE INSURANCE PLAN

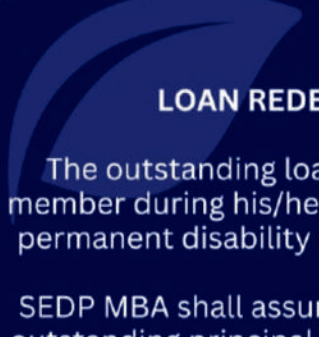
LOAN REDEMPTION

The outstanding loan balance of the member during his/her death or total and permanent disability is considered paid.

SEDP MBA shall assume payment of the outstanding principal amount to the loan provider thereby considered full payment of the loan.

LOAN REFUND

SEDP MBA will compute the Principal amount paid by the member upon his/her death or total and permanent disability, in so doing the total amount paid by the member shall be refunded to the declared beneficiary.



OUR STATUS



91,423
MEMBERSHIP



201,664,898
CURRENT ASSET
290,471,989
NON CURRENT ASSET

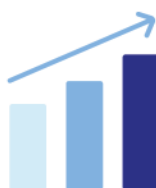


78,525,669
BLIP CONTRIBUTION

23,135,318
CLIP CONTRIBUTION



279,629,899
LIABILITIES



115,816,756
REVENUE



212,506,988
FUND BALANCE



94,733,017
BENEFIT AND OPERATING
EXPENSE



21,083,739
NET SURPLUS



74,769,756.00
GENERAL FUND

FINANCIAL HIGHLIGHTS

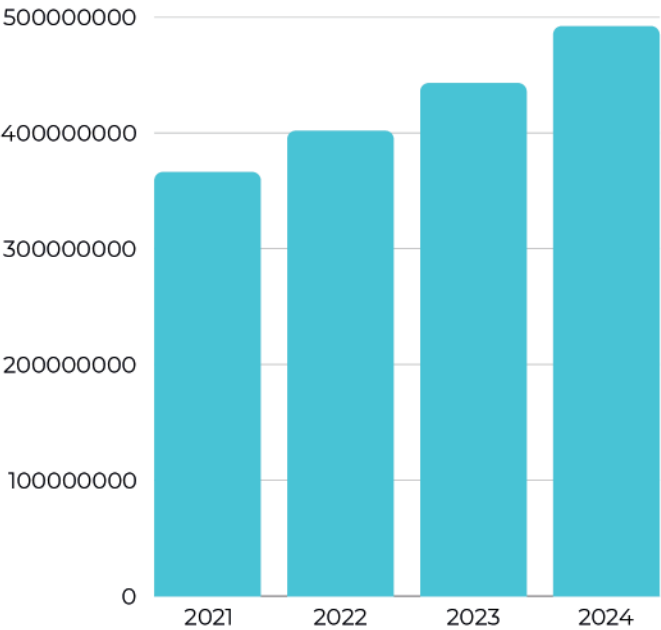
PARTICULARS	2024	2023	VARIANCE (INC/DEC)
ASSET	492,136,887.00	442,984,140.00	11%
LIABILITIES	279,629,899.00	247,470,099.00	13%
FUND BALANCE	212,506,988.00	195,514,041.00	9%
REVENUE	115,816,756.00	106,284,509.00	9%
BLIP CONTRIBUTION	78,525,669.00	75,202,751.67	4%
CLIP CONTRIBUTION	23,135,318.00	19,532,195.13	18%
OPERATING EXPENSE	94,733,017.00	82,977,118.00	14%
NET SURPLUS	21,083,739.00	23,307,391.00	-10%
COMPREHENSIVE INCOME	21,995,778.00	24,242,602.00	-9%
GUARANTY FUND	50,929,091.00	45,846,042.00	11%
GENERAL FUND	74,769,756.00	89,124,292.00	-16%

FINANCIAL COMPARATIVE REPORT

(2021-2024)

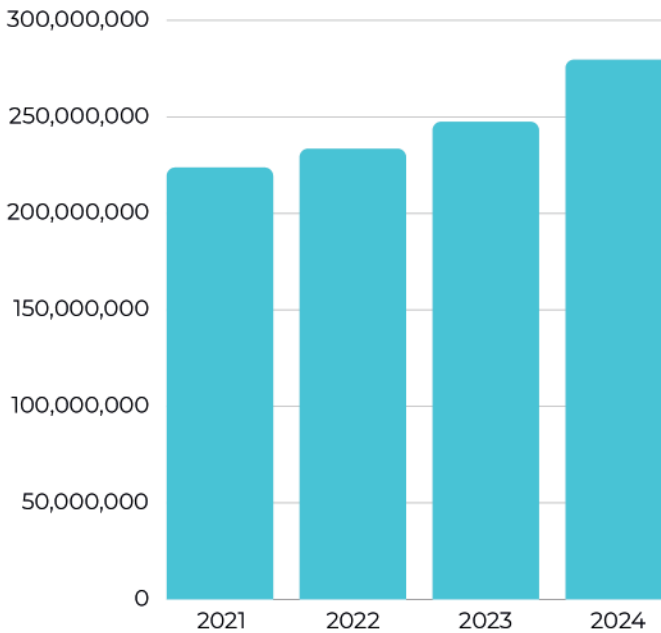
ASSET

YEAR	STATUS	% (INC/DEC)
2021	366,176,018.00	15%
2022	401,850,374.00	10%
2023	442,984,140.00	10%
2024	492,136,887.00	11%



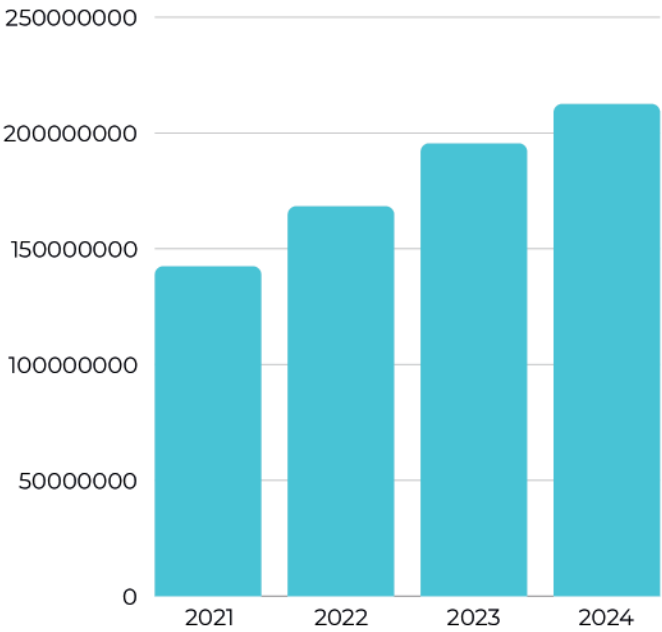
LIABILITIES

YEAR	STATUS	% (INC/DEC)
2021	223,751,637.00	15%
2022	233,516,329.00	4%
2023	247,470,099.00	6%
2024	279,629,899.00	13%



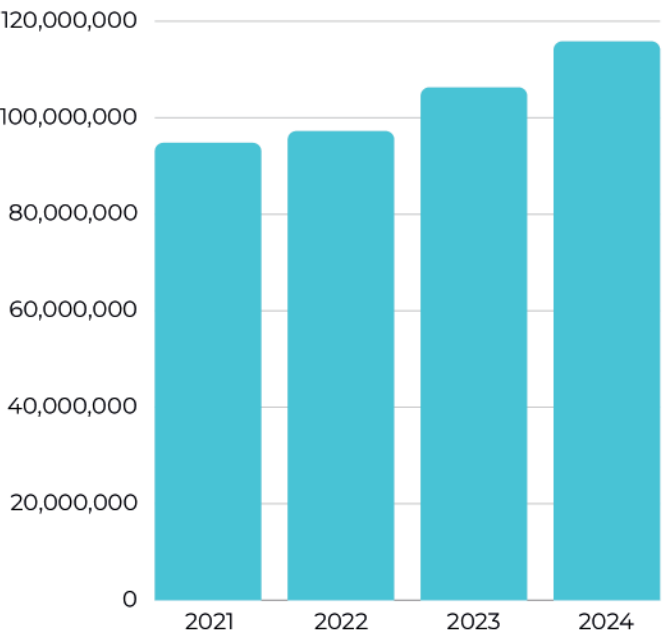
FUND BALANCE

YEAR	STATUS	% (INC/DEC)
2021	142,424,381.00	13%
2022	168,334,045.00	18%
2023	195,514,041.00	16%
2024	212,506,988.00	9%



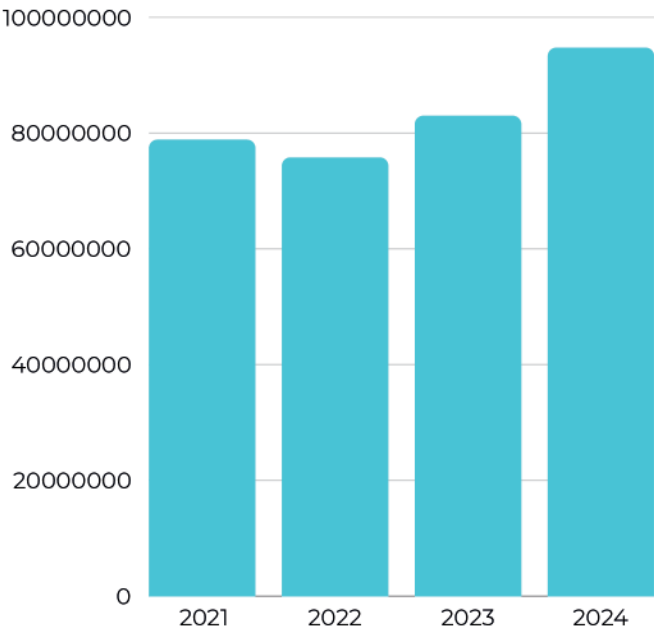
REVENUE

YEAR	STATUS	% (INC/DEC)
2021	94,790,589.00	11%
2022	97,223,866.00	3%
2023	106,284,509.00	9%
2024	115,816,756.00	9%



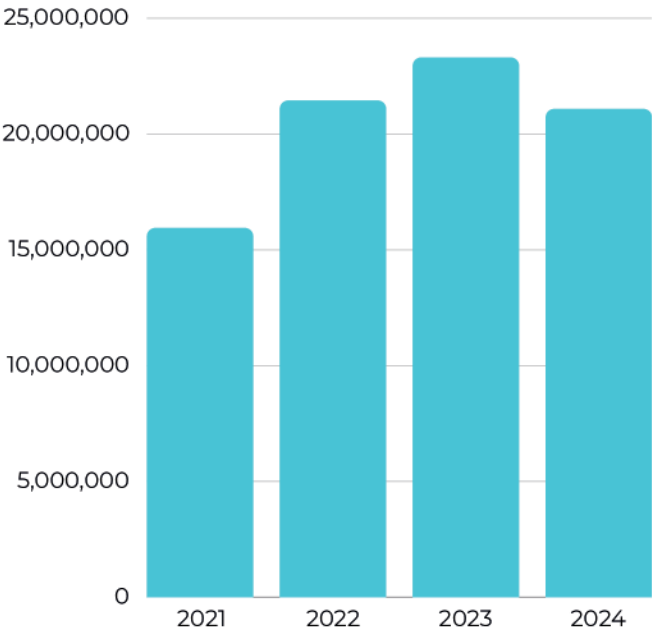
OPERATING EXPENSE

YEAR	STATUS	% (INC/DEC)
2021	78,844,824.00	15%
2022	75,775,080.00	-4%
2023	82,977,118.00	10%
2024	94,733,017.00	14%



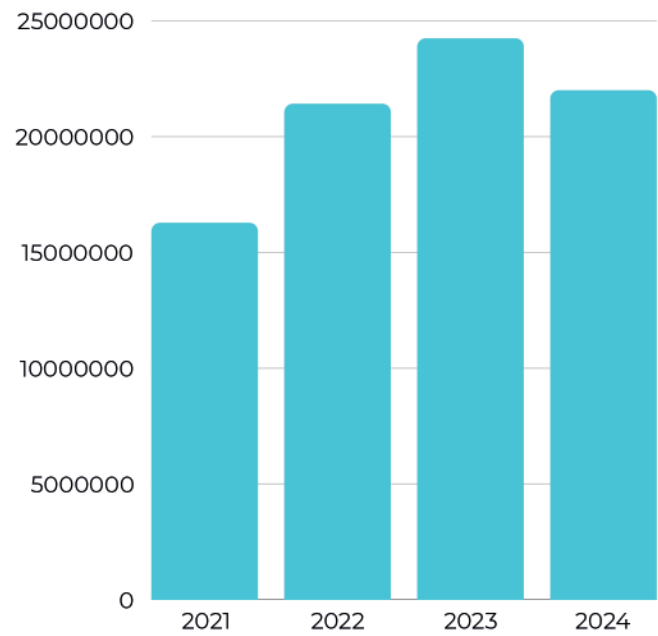
NET SURPLUS

YEAR	STATUS	% (INC/DEC)
2021	15,945,765.00	14%
2022	21,448,786.00	35%
2023	23,307,391.00	9%
2024	21,083,739.00	-9%



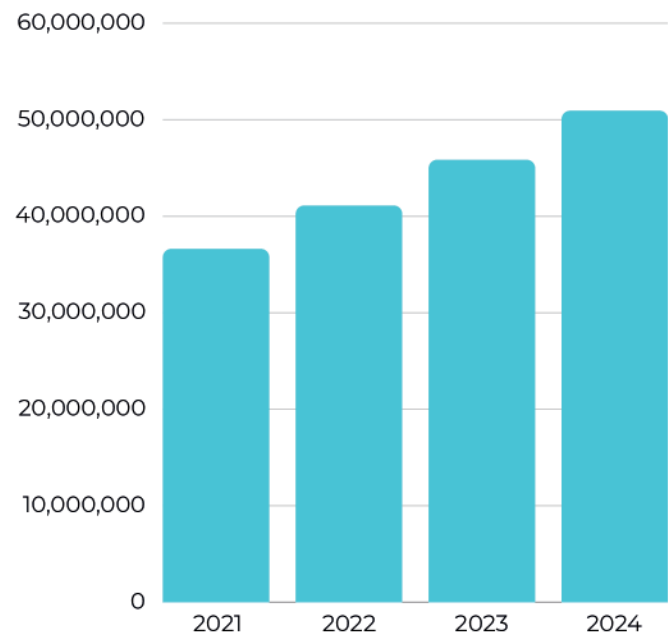
COMPREHENSIVE INCOME

YEAR	STATUS	% (INC/DEC)
2021	16,274,078.00	-17%
2022	21,414,304.00	32%
2023	24,242,602.00	13%
2024	21,995,778.00	-9%



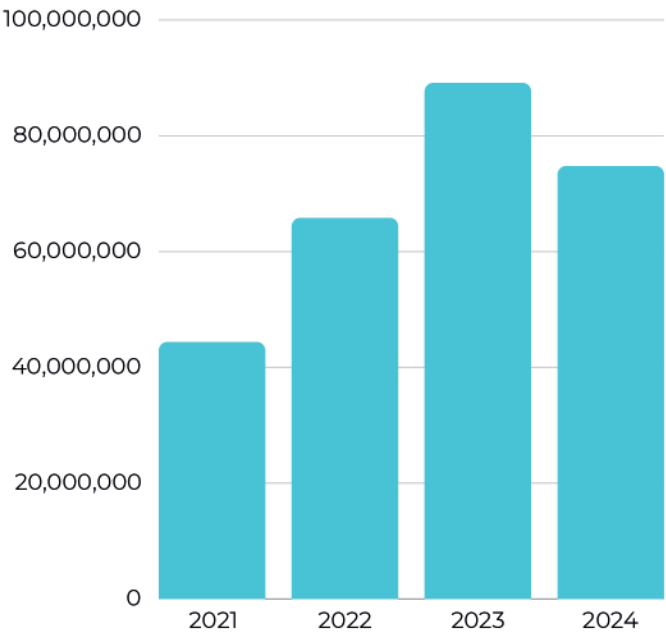
GUARANTY FUND

YEAR	STATUS	% (INC/DEC)
2021	36,613,935.00	12%
2022	41,109,295.00	12%
2023	45,846,042.00	12%
2024	50,929,091.00	11%



GENERAL FUND


YEAR	STATUS	% (INC/DEC)
2021	44,368,115.00	15%
2022	65,816,901.00	33%
2023	89,124,292.00	26%
2024	74,769,756.00	-19%



CLAIMS UPDATE

JANUARY-DECEMBER 2024		
NUMBER OF CLAIMS PAID	2128	AVERAGE PER DAY
		6
AMOUNT OF CLAIMS PAID	PHP 30, 675,643.20	PHP 84,042.86
DETAILS		
908	BASIC LIFE INSURANCE PLAN CLAIMS	PHP 24,618,500.00
294	CREDIT LIFE INSURANCE PLAN CLAIMS	PHP 5,335,743.20
926	DAILY HOSPITALIZATION INCOME BENEFIT CLAIMS	PHP 721,400.00

BASIC LIFE INSURANCE PLAN CLAIMS

INSURED		NUMBER OF CLAIMS PAID	AMOUNT OF CLAIMS PAID
	MEMBER (DISABILITY)	18	830,000.00
	MEMBER (DEATH)	405	17,617,500.00
	SPOUSE	348	4,845,000.00
	CHILD	100	926,000.00
	PARENT	37	400,000.00

CREDIT LIFE INSURANCE PLAN CLAIMS

NUMBER OF CLAIMS PAID	TOTAL AMOUNT OF PRINCIPAL LOAN	TOTAL AMOUNT OF LOAN REDEMPTION	TOTAL AMOUNT OF LOAN REFUND
294	5,335,743.20	2,983,953.00	2,351,790.20

DAKILA PLAN 40 CLAIMS

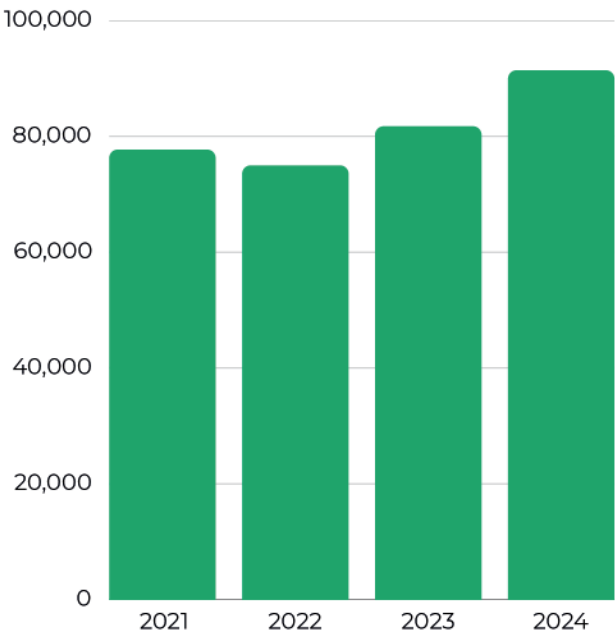
FREE DAKILA ENROLLMENT		929	REGULAR DAKILA ENROLLMENT		892
# OF CLAIMS		4	# OF CLAIMS		10
AMOUNT RELEASED		160,000.00	AMOUNT RELEASED		400,000.00

OPERATIONS COMPARATIVE REPORT

(2021-2024)

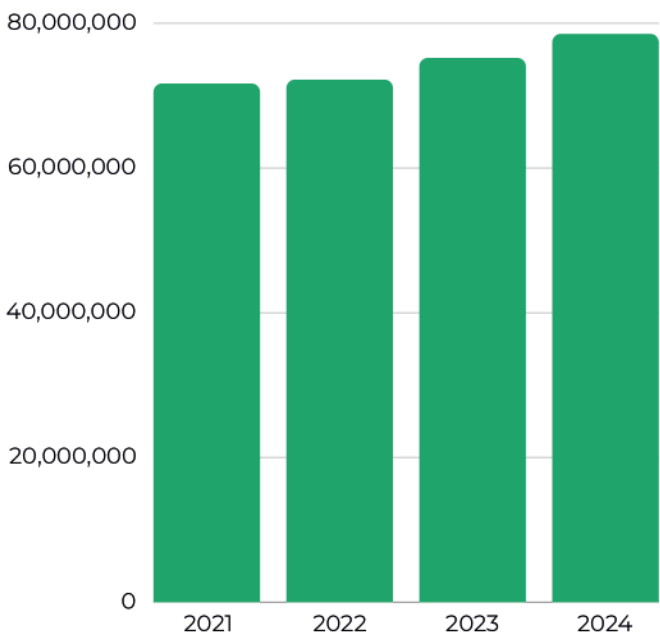
MEMBERSHIP

YEAR	STATUS	% (INC/DEC)
2021	77,723	.6%
2022	74,994	-4%
2023	81,746	9%
2024	91,423	12%



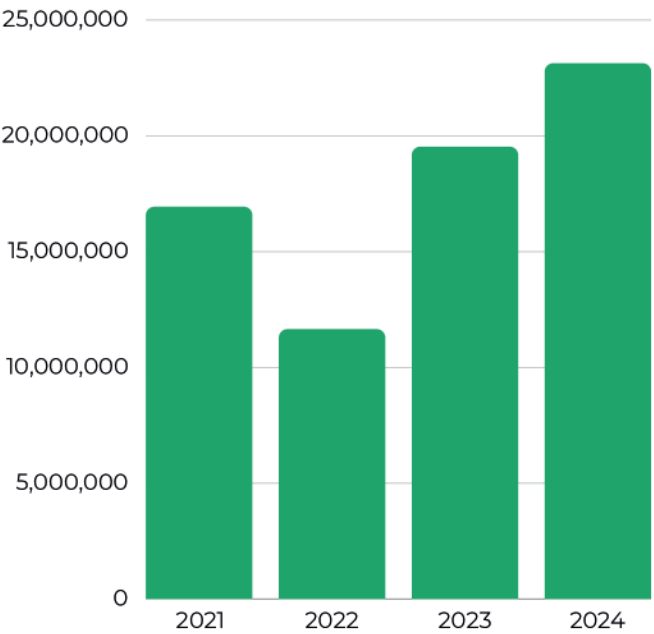
BLIP CONTRIBUTION

YEAR	STATUS	% (INC/DEC)
2021	71,669,767.00	6%
2022	72,206,198.00	1%
2023	75,202,752.00	4%
2024	78,525,669.00	4%



CLIP CONTRIBUTION

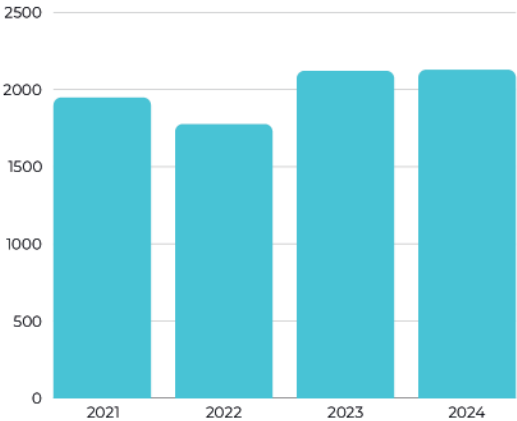
YEAR	STATUS	% (INC/DEC)
2021	16,939,087.00	31%
2022	11,651,787.00	-31%
2023	19,532,195.00	68%
2024	23,135,318.00	18%



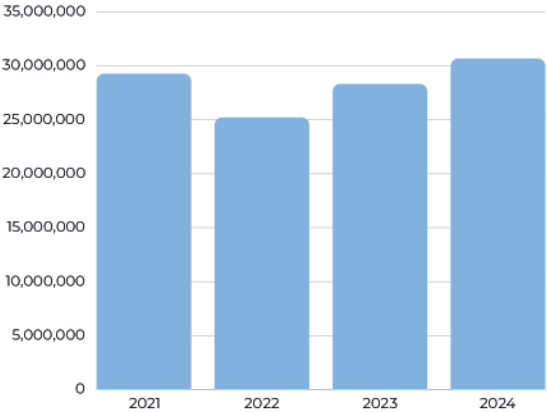
CLAIMS PAID

YEAR	# OF CLAIMS	AMOUNT RELEASED	% (INC/DEC)	
			# OF CLAIMS	AMOUNT RELEASED
2021	1,948	29,270,550.00	18%	22%
2022	1,776	25,216,032.00	-9%	-14%
2023	2,121	28,320,188.40	19%	12%
2024	2,128	30,675,643.20	0.33%	8%

OF CLAIMS

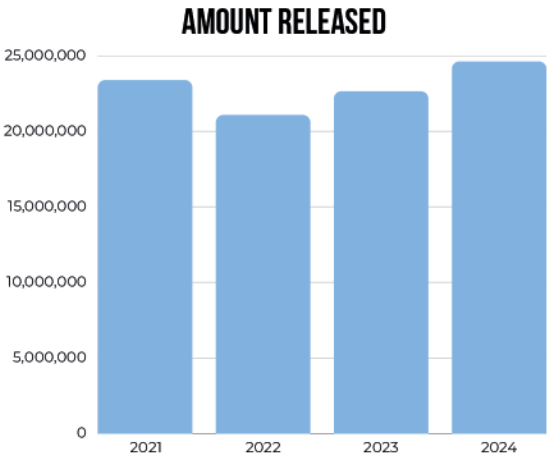
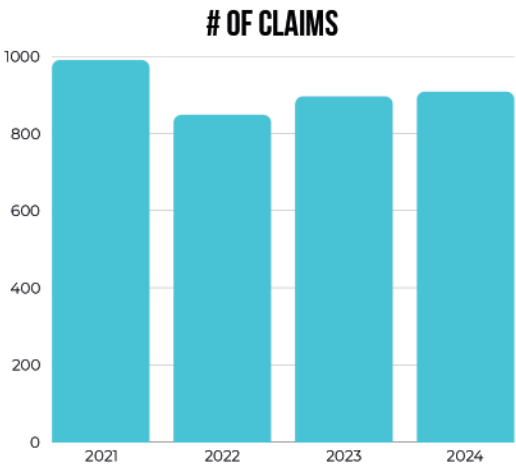


AMOUNT RELEASED



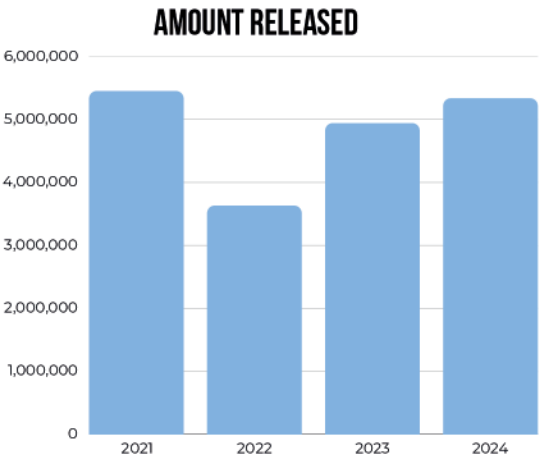
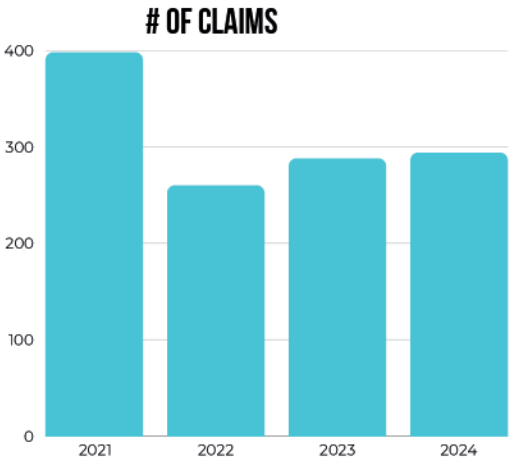
BLIP CLAIMS

YEAR	# OF CLAIMS	AMOUNT RELEASED	% (INC/DEC)	
			# OF CLAIMS	AMOUNT RELEASED
2021	990	23,388,000.00	18%	22%
2022	848	21,073,500.00	-14%	-10%
2023	896	22,643,500.00	6%	7%
2024	908	24,618,500.00	1%	9%



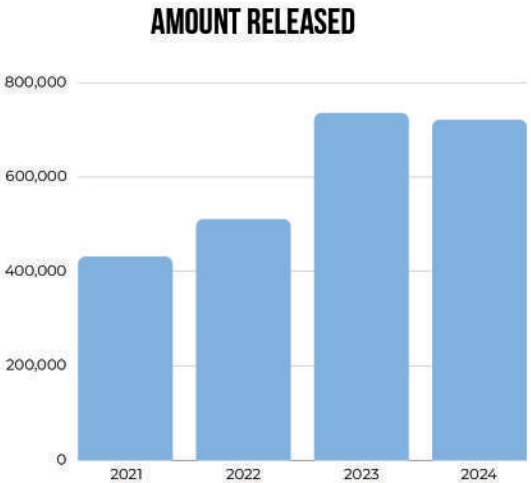
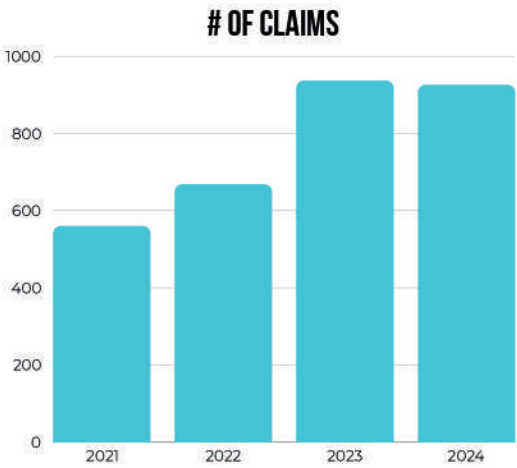
CLIP CLAIMS

YEAR	# OF CLAIMS	AMOUNT RELEASED	% (INC/DEC)	
			# OF CLAIMS	AMOUNT RELEASED
2021	398	5,450,950.00	38%	31%
2022	260	3,631,532.00	-35%	-33%
2023	288	4,940,888.40	11%	36%
2024	294	5,335,743.20	2%	8%



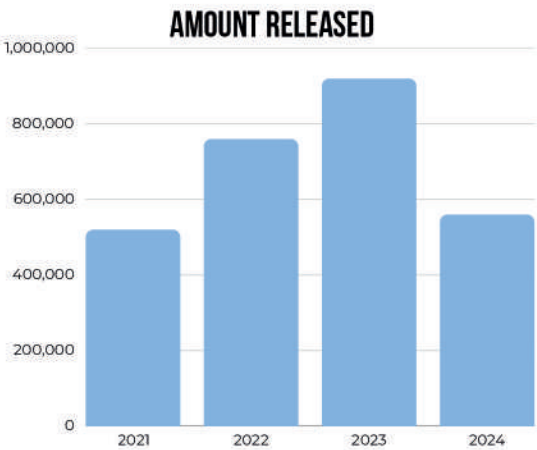
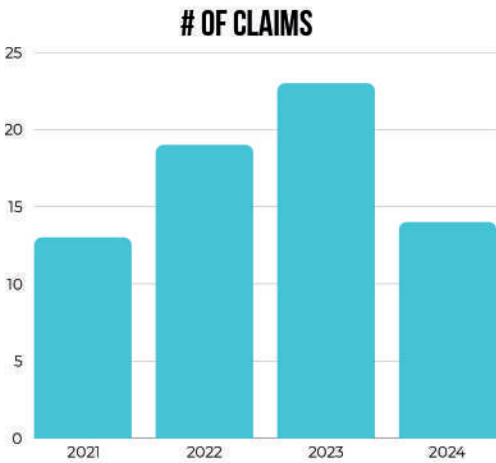
DHIB CLAIMS

YEAR	# OF CLAIMS	AMOUNT RELEASED	% (INC/DEC)	
			# OF CLAIMS	AMOUNT RELEASED
2021	560	431,600.00	4%	79%
2022	668	511,000.00	19%	18%
2023	937	735,800.00	40%	44%
2024	926	721,400.00	-1%	-2%



DAKILA CLAIMS

YEAR	# OF CLAIMS	AMOUNT RELEASED	% (INC/DEC)	
			# OF CLAIMS	AMOUNT RELEASED
2021	13	520,000.00	N/A	
2022	19	760,000.00	46%	
2023	23	920,000.00	21%	
2024	14	560,000.00	-39%	



SOCIAL PROTECTION PROGRAM

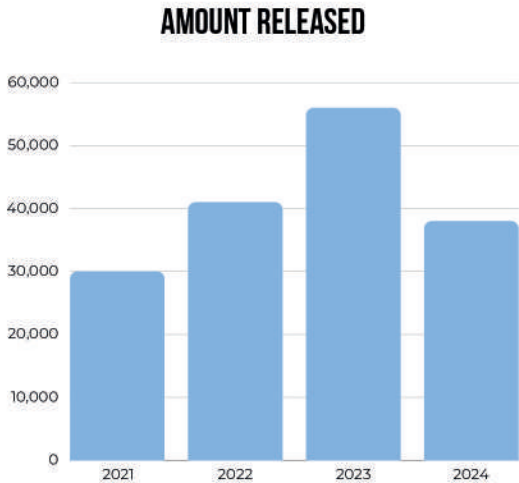
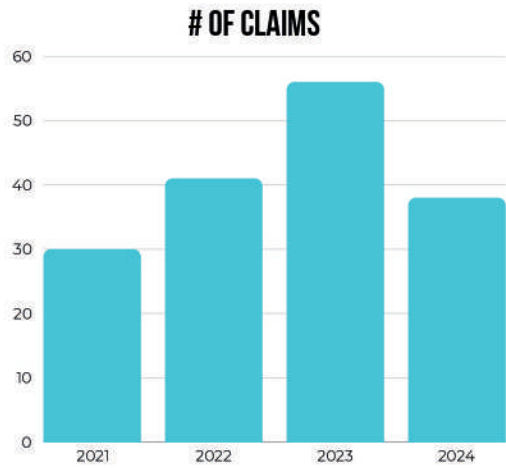


1,722
SSS ENROLLMENT

		NUMBER OF MEMBERS	AMOUNT RELEASED
MARRIAGE VALIDATION		38	38,000.00
CALAMITY ASSISTANCE	FIRE	12	23,000.00
	TYPHOON	22,643	4,185,150.00
	VOLCANIC ACTIVITIES	0	0
SEDP CARE		65	650,000.00
LAMAY PACKAGE		160	302,232.00

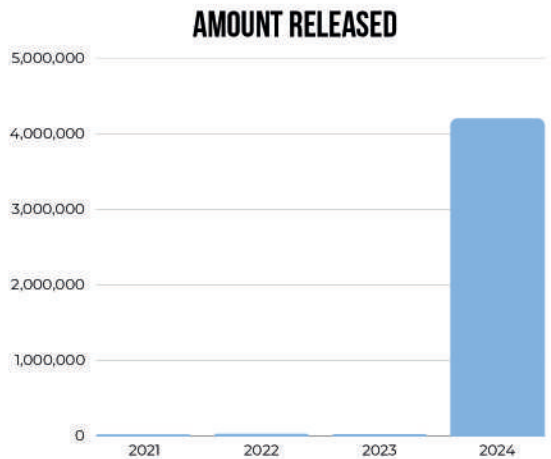
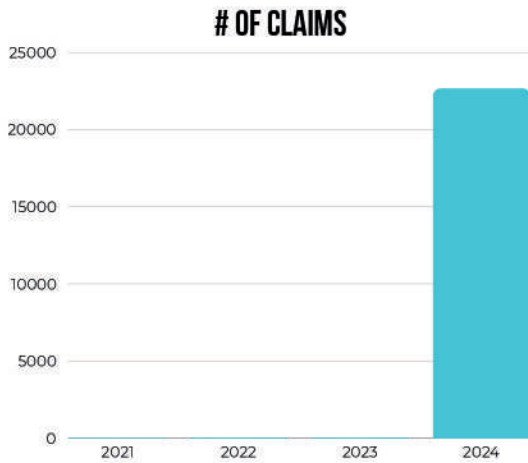
MARRIAGE VALIDATION

YEAR	# OF CLAIMS	AMOUNT RELEASED	% (INC/DEC)
2021	30	30,000.00	-60%
2022	41	41,000.00	37%
2023	56	56,000.00	37%
2024	38	38,000.00	-32%



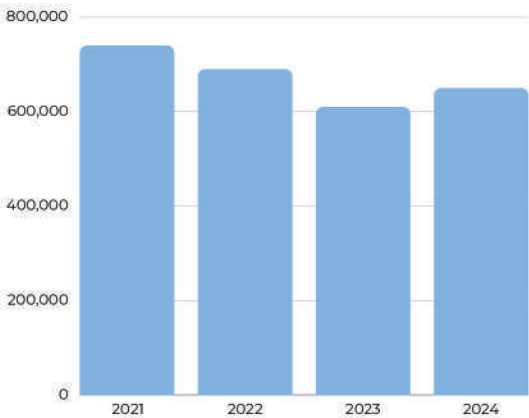
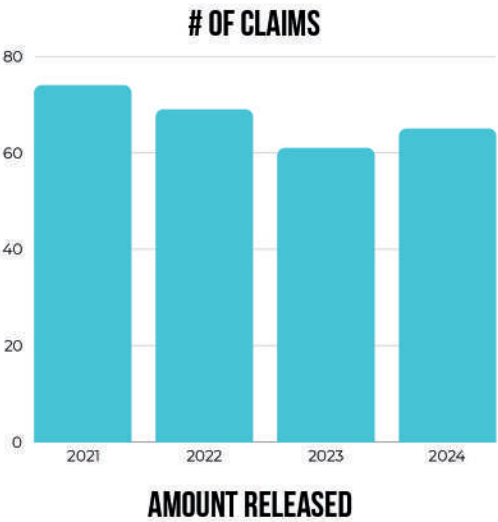
CALAMITY ASSISTANCE REGULAR CATASTROPHE

YEAR	# OF CLAIMS	AMOUNT RELEASED	% (INC/DEC)
2021	13	26,000.00	38%
2022	16	32,000.00	23%
2023	14	28,000.00	-12%
2024	22,665	4,208,150.00	14965%



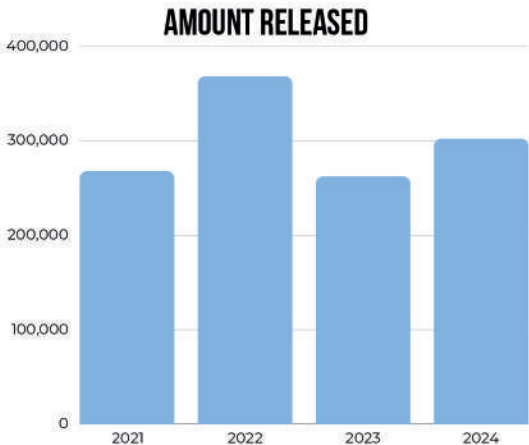
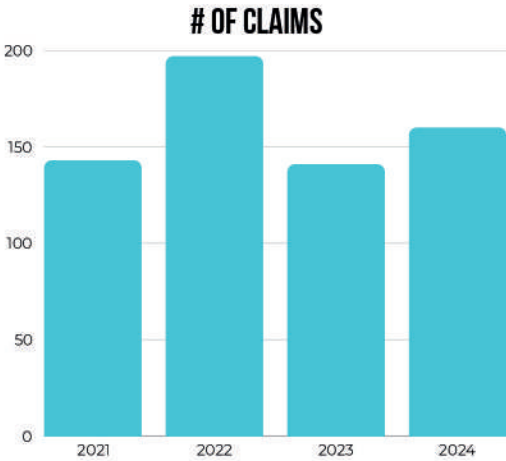
SEDP CARE

YEAR	# OF CLAIMS	AMOUNT RELEASED	% (INC/DEC)
2021	74	740,000.00	9%
2022	69	690,000.00	-7%
2023	61	610,000.00	-12%
2024	65	650,000.00	7%



LAMAY PACKAGE

YEAR	# OF CLAIMS	AMOUNT RELEASED	% (INC/DEC)
2021	143	268,000.00	99%
2022	197	368,312.25	37%
2023	141	262,358.00	-28%
2024	160	302, 232.00	15%



SEDP MBA LOGO THROUGH THE YEARS



2009-2015



2016-2020



2021-PRESENT

PARTNERS AND LINKS



COMPLIANCE TO GOOD GOVERNANCE



GOVERNANCE

The Board of Trustees (BOT) is the governing body elected by the members that exercises the corporate powers of the association. SEDP MBA is composed of Seven (7) Board of Trustees members.

Among the Seven (7) BOT members four (4) of them are Independent Trustees with expertise in the field of Finance, Governance and Management. The Independent Trustees shall serve a Nine (9) year term limit (stipulated in the By Laws amendment). He/She shall render voluntary service to the organization that is independent of the management and major substantial stakeholders.

MULTIPLE BOARD SETS

SEDP MBA Board of Trustees have significant roles and functions in the direction of the institution wherein active participation in all meetings and activities related to its operations are required. In so doing, SEDP MBA limits the involvement of each Trustee to a maximum of 3 Board Sets assignment to other companies so that they can actively participate to all meetings and activities required by SEDP MBA.

COMMITMENT TO CORPORATE GOOD GOVERNANCE

SEDP MBA is committed in the promotion of corporate good governance within its organization and among its stakeholders. Together with the Board of Trustees and Management, SEDP MBA will remain steadfast in monitoring the performance of the organization, strive to make good and sound decisions, and will hold its governing board accountable for its execution in achieving our corporate goals.

The Corporate Governance Manual shall serve as its guide in ensuring the organization's practice of good governance, sustainability and its continuous commitment to its stakeholders in providing efficient and innovative programs and services for the growth of the community in which we operate.

BOARD OF TRUSTEES PERFORMANCE EVALUATION

At the beginning of the year, the individual Board of Trustees conducted their Annual Performance Evaluation through Self-Rating and Peer-Rating scheme. A separate evaluation is also conducted for a per Committee level assessment. The assessment objective is to help each member of the Board of Trustees to evaluate what are their strengths and what are the areas to improve on.

BOARD OF TRUSTEES OFFICERS AND MEMBERS

REV. FR. JOSE VICTOR E. LOBRIGO

CHAIRMAN OF THE BOARD



MS. TERESITA GALANG, CPA
Vice Chairman



REV. FR. RAFAEL SAMBAJON
Board Secretary/ Independent
Trustee



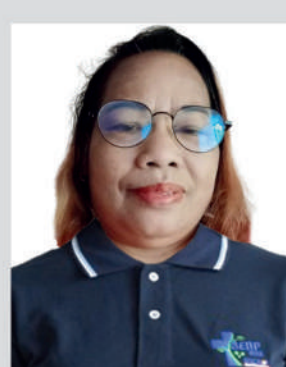
MS. ROSANA BALLARBARE
Treasurer



REV. FR. REX PAUL ARJONA
Independent Trustee



MS. ROCHELLE APOON
Member



MS. AMALIA CLARIANES
Member

BOARD OF TRUSTEES

PROFILE

REV. FR. JOSE VICTOR E. LOBRIGO

CHAIRMAN OF THE BOARD



ACADEMIC QUALIFICATION

• AB Philosophy and Languages
San Carlos Seminary, Makati City

• Corporate Governance
Institute of Corporate Directors

• MA in Development Studies
Institute of Development Studies
The Hague, The Netherlands

• Development Management
Asian Institute of Management

• MA in Pastoral Ministry
Ateneo de Manila University

TRAININGS & SEMINARS ATTENDED

- Board Treasurer
MIMAP/RIMANSI
- Board Member
MIMAP/RIMANSI
- President and CEO
SEDP Simbag (2012-2021)
- Private Sector Representative
Microfinance NGO Regulatory Council (2016-Present)
- Chairman of the Board
Microfinance Council of the Phils.
(2016-2018)
- President and Chairman
Bicol Consortium for Development Initiatives
(2005- Present)
- Diocesan Oeconomus
Diocese of Legazpi (2011-2021)
- Lecture on Corporate Governance and Best Practices
RIMANSI/MIMAP (2016- Present)
- Teaching Fellow
Institute of Corporate Directors

TRAININGS & SEMINARS ATTENDED:

- Microinsurance Forum
- Management Forum
- Investment Management Forum
- ACGS Orientation
- Professional Development Program
- Certificate in Conflict Transformation
- Program for Development Manager
- AMLA & Governance Workshop
Resource Person
- ICMIF Foundation Group Study in Japan
- ICMIF Biennial Conference 2024

OTHER CORPORATE DIRECTORSHIP

- Board Member
Peace and Equity Foundation
- Independent Director
Camalig Bank (A Rural Bank)
- Member, Board of Administrators
National Electrification Administration
(2006-2016)

DATE OF FIRST APPOINTMENT

June 2021

TYPE OF DIRECTORSHIP

Independent Trustee

AGE: 60 Years old



MS. TERESITA GALANG, CPA
Vice Chairperson

RELATIVE EXPERIENCE:

ASSOCIATE PROFESSOR II
Bicol University, Dept. of Accountancy
Legazpi City
COST ACCOUNTANT
OSSA International
INSURANCE UNDERWRITER
Philippine American Life Insurance Corp.

TRAININGS & SEMINARS ATTENDED

- AMLA & Governance Workshop
- National Microinsurance Forum
- Management Forum
- Investment Management Seminar
- Learning Session on Governance
- ACGS Orientation
- Risk Management
- Keeping Up To Date: New Trends and Regulations in Accounting Practice
- The Governance of Environmental and Social Issues: Managing E & S Risks
- Bridging the Gap between the University and the Modern Workforce
- Play It Forward, Securing a Sustainable Future- The Great Reshuffle: Recruitment and Retention Challenges
- Understanding the Taxpayers' Bill of Rights
- Play It Forward, Securing A Sustainable Future - CPAs As Industry Leaders In A Highly Disrupted Period
- The Philippine Development Plan: Securing A Sustainable And Prosperous Future
- Play It Forward, Securing A Sustainable Future - Opening Plenary
- Annual Conference Microfinance Council of the Philippines
- Online Investment Briefing
- 2024 Management Forum

ACADEMIC QUALIFICATIONS:

Doctor in Business Administration
Aquinas University of Legazpi
Master in Business Administration
Divine Word College Legazpi
Bachelor of Science in Commerce
Major in Accounting
Divine Word College of Legazpi

OTHER CORPORATE DIRECTORSHIP

None

DATE OF FIRST APPOINTMENT

January 1, 2019

TERM OF OFFICE

Three Years (2024-2027)

TYPE OF DIRECTORSHIP

Independent Trustee

AGE: 62 Years old



REV. FR. RAFAEL SAMBAJON
Board Secretary

RELATIVE EXPERIENCE:

Parish Administrator
Parish of the Our Lady of the Holy Rosary, Balogo, Oas

Parochial Vicar
St. Gregory de Great Cathedral,
Legazpi City

MDS Director
SEDP- Simbag sa Pag Asenso Inc. (A Microfinance NGO)

TRAININGS & SEMINARS ATTENDED

- 2023 Governance and Anti-Money Laundering Act (AMLA) Workshop for Mi-MBAs
- 2022 MCPI Annual Conference
- MCPI 2023 Reboot Microfinance Sustainability Summit
- Orientation for New Board of Trustee
- Annual Conference Microfinance Council of the Philippines

ACADEMIC QUALIFICATIONS:

AB Philosophy
Mater Salutis College Seminary Sipi,
Daraga, Albay

BA Theology
Holy Rosary Major Seminary Graduate
School of Theology Concepcion Pequeña,
Naga City

OTHER CORPORATE DIRECTORSHIP

None

DATE OF FIRST APPOINTMENT

June 1, 2023

TERM OF OFFICE

Three Years (2023-2026)

Type of Directorship

Independent Trustee

AGE: 42 Years old



MS. ROSANA BALLARBARE
Treasurer

RELATIVE EXPERIENCE:

Centro Baybay Women's Org. Officer
BDRRC Member
Parish Pastoral Council
PCSC Commission Head

ACADEMIC QUALIFICATIONS:

Garments and Dress making

OTHER CORPORATE DIRECTORSHIP

None

TRAININGS & SEMINARS ATTENDED

- Orientation for New Board of Trustee
- Leadership Training Workshop
- Risk Management
- Governance and Anti-Money
- Laundering Act (AMLA) Workshop for Mi-MBAs
- Financial Literacy
- APSEMO PDRRM
- Social Action Center -Harong Paglaom
- Magna Carta for Women
- Mental Health for Women
- Para- Legal Training
- Simple Bookkeeping
- National Microinsurance Forum 2024: "Sustainable & Inclusive Finance for Climate Resiliency"
- Trainers Training on Annual Pastoral Planning
- Saligan- Paralegal Training Compendium Strengthening Civil Society Participation in Local Governance
- Entrepreneurial Training on Canva for Beginners
- Violence Against Women
- BDRRC Seminar
- DTI- Sari Sari Store Advancement Program
- Saligan- Paralegal Legal Clinic and Refresher Course
- ALTERPLAN- Disaster Risk Sensitive Shelter Planning Stakeholders Conference
- Saligan- Paralegal Focused Group Discussion, Assessment and Planning
- Online Investment Briefing

DATE OF FIRST APPOINTMENT

June 1, 2022

TERM OF OFFICE

Three Years (2022-2025)

TYPE OF DIRECTORSHIP

General Membership

AGE: 56 Years Old



REV. FR. REX PAUL ARJONA
Independent Trustee

RELATIVE EXPERIENCE:

President and CEO
SEDP- Simbag sa Pag Asenso Inc. (A Microfinance NGO)

Executive Director
Social Action Center Diocese of Legazpi

Private Sector Representative
Regional Development Council
NEDA Region V

Microinsurance MBA Association of the Philippines (MiMAP) RIMANSI

ACADEMIC QUALIFICATIONS:

Master in Development Management
Asian Institute of Management

Diploma in Local Government Mgt.
Bicol University, Legazpi City

OTHER CORPORATE DIRECTORSHIP

SEDP-Simbag sa Pag-Asenso Inc.

DATE OF FIRST APPOINTMENT

June 2021

TYPE OF DIRECTORSHIP

Independent Trustee

AGE: 46 Years old

TRAININGS & SEMINARS ATTENDED

- AMLA & Governance Workshop
- Microinsurance Forum
- Management Forum
- Investment Management Seminar
- Learning Session on Governance
- ACGS Orientation
- Annual Conference Microfinance Council of the Philippines



MS. ROCHELLE APOON

Member

RELATIVE EXPERIENCE:

Barangay Nutrition Scholar

ACADEMIC QUALIFICATIONS:

Bachelor of Arts in Economics

TRAININGS & SEMINARS ATTENDED

- Orientation for New Board of Trustee
- Leadership Training Workshop
- Risk Management
- Governance and Anti-Money Laundering
- Act (AMLA) Workshop for Mi-MBAs
- Farmers Ass & Values Formation
- Regional Cluster Key Leaders Assembly
- Capability Building Rice, Corn & Vegetable
- Talakayan sa Kabukiran sa Ligao City
- Farmers Information & Technology Services
- Climate Change Field Study
- National Microinsurance Forum 2024: "Sustainable & Inclusive Finance for Climate Resiliency"
- Corn Expo East West
- Farm and Fisheries Clustering & Consolidation Program
- Department of Agriculture's Regional Office Conducted Interview to Corn farmers
- Orientation of Women's Planters
- City Agricultural KADIWA AGRI-Fair

OTHER CORPORATE DIRECTORSHIP

None

DATE OF FIRST APPOINTMENT

June 1, 2022

TERM OF OFFICE

Three Years (2022-2025)

TYPE OF DIRECTORSHIP

General Membership

AGE: 44 Years old



MS. AMALIA CLARIANES

Member

RELATIVE EXPERIENCE:

Lector and Commentator Medalla
Milagrosa Association- member
Apostleship of Prayer- member

ACADEMIC QUALIFICATIONS:

Junior Secretarial

TRAININGS & SEMINARS ATTENDED

- Orientation for New Board of Trustee
- 2023 Governance and Anti-Money Laundering Act (AMLA) Workshop for Mi-MBAs
- 2023 Management Forum
- National Microinsurance Forum 2024: "Sustainable & Inclusive Finance for Climate Resiliency"

OTHER CORPORATE DIRECTORSHIP

None

DATE OF FIRST APPOINTMENT

June 1, 2023

TERM OF OFFICE

Two Years (2023-2025)

TYPE OF DIRECTORSHIP

General Membership

AGE: 60 Years old

BOARD COMMITTEES

SEDP MBA Board Committees were created to oversee and ensure that the priority plans & programs of the organization is well implemented by the Management through its monitoring function during the submission of reports on the scheduled quarterly meeting.

The SEDP MBA have 7 Board Committees:

- Governance Committee
- HR and Remuneration Committee
- Nomination Committee
- Finance Committee
- Audit Committee
- Board Risk Oversight Committee (BROC)
- Related Party Transactions Committee (RPT)

BOARD COMMITTEE COMPOSITION

GOVERNANCE COMMITTEE

The Governance Committee shall be composed of a minimum of three (3) but not more than five (5) members. One member shall be from an independent member of the board of trustees while the rest shall be from the regular members.

The Governance Committee provides for the board's effectiveness and continuing development.

COMMITTEE		TYPE OF DIRECTORSHIP
Chairman	: REV. FR. JOSE VICTOR E. LOBRIGO	INDEPENDENT TRUSTEE
Members	: MS. REMEGIA BALUCIO	NON-EXECUTIVE DIRECTOR
	: MS. TERESITA GALANG	INDEPENDENT TRUSTEE
	: REV. FR. RAFAEL SAMBAJON	INDEPENDENT TRUSTEE

HR AND REMUNERATION COMMITTEE

The HR and Remuneration Committee is composed of at least four members. Majority of the committee should be an independent director, including the Chairman.

The SEDP MBA HR and Remuneration Committee, as an oversight, advice and assist the Board in fulfilling its responsibilities on matters relating to human resources.

COMMITTEE		TYPE OF DIRECTORSHIP
Chairman	: REV. FR. JOSE VICTOR E. LOBRIGO	INDEPENDENT TRUSTEE
Members	: MS. REMEGIA BALUCIO	NON-EXECUTIVE DIRECTOR
	: MS. TERESITA GALANG	INDEPENDENT TRUSTEE
	: REV. FR. RAFAEL SAMBAJON	INDEPENDENT TRUSTEE

NOMINATION COMMITTEE

The Nomination Committee shall be composed of at least three (3) of the board of directors, one of whom must be independent.

The SEDP MBA Nomination Committee is hereby vested sole authority to conduct and supervise the election for the members of the Board of Trustees and other officers to proclaim the winner.

COMMITTEE		TYPE OF DIRECTORSHIP
Chairman	: REV. FR. JOSE VICTOR E. LOBRIGO	INDEPENDENT TRUSTEE
Members	: MS. REMEGIA BALUCIO	NON-EXECUTIVE DIRECTOR
	: MS. TERESITA GALANG	INDEPENDENT TRUSTEE
	: REV. FR. RAFAEL SAMBAJON	INDEPENDENT TRUSTEE

FINANCE COMMITTEE

The Committee shall be composed of a minimum of three (3) but not more than five (5) members.

The Finance Committee is established as an independent committee of the Board of Trustees whose primary duties are to oversee and review the financial plans and policies of SEDP MBA and implementation of such plans and policies and to assist the Board of Trustees in reviewing investment, strategies, and transactions and in overseeing SEDP MBA's capital and financial resources.

COMMITTEE		TYPE OF DIRECTORSHIP
Chairman	: MS. TERESITA GALANG, CPA, DBA	INDEPENDENT TRUSTEE
Members	: MS. AMALIA CLARIANES	MEMBER
	: MS. ROSANA BALLARBARE	MEMBER
	: MS. JOCELYN DIAZ	NON-EXECUTIVE DIRECTOR

AUDIT COMMITTEE

The Audit Committee shall be composed of at least three (3) members to be appointed by the Board of Trustees from among the trustees with background in accounting and finance, including an independent trustee who shall be the chairperson of the Committee.

The Audit Committee provides oversight of the institutions internal and external auditors.

COMMITTEE		TYPE OF DIRECTORSHIP
Chairman	: REV. FR. REX PAUL ARJONA	INDEPENDENT TRUSTEE
Members	: REV. FR. RAFAEL SAMBAJON	INDEPENDENT TRUSTEE
	: MS. TERESITA GALANG, CPA, DBA	INDEPENDENT TRUSTEE
	: MS. ROCHELLE APOON	MEMBER

BOARD RISK OVERSIGHT COMMITTEE (BROC)

The BROC should be composed of at least three members, the majority of whom should be independent directors, including the Chairman. At least one member of the committee must have relevant experience and thorough knowledge on risk management. The Chairman should not be at the same time Chairman of the Board or of any other committee.

The BROC Committee oversee the system of limits to discretionary authority that the board delegates to management, ensure that the system remains effective, that the limits are observed and that immediate corrective actions are taken whenever limits are breached.

COMMITTEE		TYPE OF DIRECTORSHIP
Chairman	: REV. FR. RAFAEL SAMBAJON	INDEPENDENT TRUSTEE
Members	: REV. FR. JOSE VICTOR E. LOBRIGO	INDEPENDENT TRUSTEE
	: MS. TERESITA GALANG, CPA, DBA	INDEPENDENT TRUSTEE
	: MS. RIZA BARRAMEDA, CPA	NON-EXECUTIVE DIRECTOR

RELATED PARTY TRANSACTION COMMITTEE

The RPT Committee should be composed of at least three non-executive directors. The majority of whom should be independent. The committee Chairman, should be an independent Trustee. The members of the Committee have sufficient, recent & relevant expertise & experience in fulfilling their role.

The RPT Committee set materiality threshold for each type of transaction to related parties such as investment, financial assistance, contract agreements and others.

COMMITTEE		TYPE OF DIRECTORSHIP
Chairman	: REV. FR. JOSE VICTOR E. LOBRIGO	INDEPENDENT TRUSTEE
Members	: REV. FR. RAFAEL SAMBAJON	INDEPENDENT TRUSTEE
	: MS. ROSANA BALLARBARE	MEMBER
	: MS. AMALIA CLARIANES	MEMBER

BOARD AND COMMITTEE MEETINGS

The regular Board of Trustees Meeting is conducted Quarterly. Documents/Materials for discussion shall be distributed to the members of the Board of Trustees at least 5 working days before the conduct of meeting together with the notice of meeting. During the meeting, the Management presents the proposed agenda either for information, for acceptance or for approval.

Regular reports include the quarterly operational highlights and the Financial Statement Status Report. In the discussion, the member of the Board of Trustees strictly scrutinized the comparative reports versus the approved targets and budgets. By this, the board of Trustees can easily decide on the matter. By the year 2024, the Board was happy for the performance of SEDP MBA not only by obtaining the increase in Surplus as stipulated in the Audited Financial Statements but also recognized the improvement in the ASEAN Corporate Governance Scorecard (ACGS) performance evaluation result along this line. The Board of Trustees challenged the management to strive more to get at least 80% in rating for the next evaluation period.

BOARD OF TRUSTEES MEETINGS

NAME OF TRUSTEE	DESIGNATION	ANNUAL MEETING	NO. OF BOT MEETINGS	NO. OF MEETINGS ATTENDED	% RATING
FR. JOSE VICTOR E. LOBRIGO	CHAIRMAN	✓	6	6	100%
MS. TERESITA GALANG	VICE- CHAIRMAN	✓	7	7	100%
FR. RAFAEL SAMBAJON	INDEPENDENT TRUSTEE/ BOARD SECRETARY	✓	7	6	85%
MS. ROSANA BALLARBARE	TREASURER	✓	7	7	100%
FR. REX PAUL ARJONA	INDEPENDENT TRUSTEE	✓	7	7	100%
MS. ROCHELLE APOON	MEMBER	✓	6	6	100%
MS. AMALIA CLARIANES	MEMBER	✓	7	7	100%

BOARD RESOLUTIONS FOR THE YEAR 2024

DATE OF MEETING	RESOLUTION NUMBER	BOARD RESOLUTIONS	STATUS
February 12, 2024	Board of Trustees Resolution No. 1 Series of 2024.	SEDP MBA ACCOMPLISHMENT for 2023 RESOLVED, as it is hereby resolved that the Board of Trustees accept the SEDP MBA Accomplishment as of December 31, 2023.	APPROVED
	Board of Trustees Resolution No. 2 Series of 2024.	2023 FINANCIAL REPORT RESOLVED, as it is hereby resolved that the Board of Trustees approved the 2023 Financial report.	APPROVED
	Board of Trustees Resolution No. 3 Series of 2024.	SEDP MBA 2024 Plan RESOLVED, as it is hereby resolved that the Board of Trustees approved the SEDP MBA 2024 Plan.	APPROVED

Board of Trustees Resolution No. 4 Series of 2024.	SEDP MBA PROPOSED BUDGET RESOLVED, as it is hereby resolved that the Board of Trustees granted a conditional approval of the SEDP MBA proposed budget for 2024 subject to the budget performance review of the year 2023.	APPROVED
Board of Trustees Resolution No. 5 Series of 2024.	PERFORMANCE-BASED INCENTIVE OF REGULAR SEDP MBA STAFF FOR THE 4th QUARTER RESOLVED, as it is hereby resolved that the Board of Trustees approved the Performance-Based Incentive of Regular SEDP MBA Staff for the 4th Quarter.	APPROVED
Board of Trustees Resolution No. 6 Series of 2024.	AUTHORIZED REPRESENTATIVE OF SEDP MBA ON MIMAP AGM RESOLVED, as it is hereby resolved that the Board of Trustees approved that Fr. Jose Victor E. Lobrigo would be the Authorized representative of SEDP MBA in the MIMAP AGM.	APPROVED
Board of Trustees Resolution No. 7 Series of 2024.	ICMIF FOUNDATION GROUP STUDY IN JAPAN RESOLVED, as it is hereby resolved that the Board of Trustees approved the ICMIF Foundation Group study in Japan	APPROVED
Board of Trustees Resolution No. 8 Series of 2024.	1ST QUARTER ACCOMPLISHMENT RESOLVED, as it is hereby resolved that the Board of Trustees approved the 1st Quarter Accomplishment of 2024.	APPROVED
Board of Trustees Resolution No. 9 Series of 2024.	E-MUTUALS COUNTER PROPOSAL RESOLVED, as it is hereby resolved that the Board of Trustees approved the E- Mutuals counter proposal.	APPROVED
Board of Trustees Resolution No. 10 Series of 2024.	SPONSORSHIP TO NATIONAL MICROINSURANCE FORUM PUBLICATION RESOLVED, as it is hereby resolved that the Board of Trustees approved the Php 10,000.00 Sponsorship Package for the National Microinsurance Forum Publication.	APPROVED
Board of Trustees Resolution No. 11 Series of 2024.	NOTICE OF THE ANNUAL GENERAL MEMBERSHIP MEETING RESOLVED, as it is hereby resolved that the Board of Trustees approved the 2024 Notice of the Annual General Membership Meeting	APPROVED
Board of Trustees Resolution No. 12 Series of 2024.	STAFF SALARY INCREMENT FOR 2024 RESOLVED, as it is hereby resolved that the Board of Trustees approved the 2.5 % salary increase for staff with Very Satisfactory performance for the year 2023.	APPROVED
Board of Trustees Resolution No. 13 Series of 2024.	PERFORMANCE BASED INCENTIVE-1ST QUARTER OF 2024 RESOLVED, as it is hereby resolved that the Board of Trustees approved the 1st Quarter Performance Based Incentive of the staff.	APPROVED
Board of Trustees Resolution No. 14 Series of 2024.	NOMINEES FOR INDEPENDENT TRUSTEE RESOLVED, as it is hereby resolved that the Board of Trustees approved the Nominees for Independent Trustee.	APPROVED
Board of Trustees Resolution No. 15 Series of 2024.	FINANCIAL REPORT - 1ST QUARTER 2024 RESOLVED, as it is hereby resolved that the Board of Trustees accepted the Financial Report- 1st Quarter 2024.	APPROVED

	Board of Trustees Resolution No. 16 Series of 2024.	INVESTMENT MIX RESOLVED, as it is hereby resolved that the Board of Trustees approved the Investment Mix as of May 2, 2024.	APPROVED
	Board of Trustees Resolution No. 17 Series of 2024.	2024 PROPOSED & SUPPLEMENTAL BUDGET RESOLVED, as it is hereby resolved that the Board of Trustees approved the 2024 Proposed and Supplemented Budget.	APPROVED
	Board of Trustees Resolution No. 18 Series of 2024.	E-MUTUALS AMENDED BUDGET AND TIMELINE RESOLVED, as it is hereby resolved that the Board of Trustees approved the E-Mutuals Amended Budget and Timeline.	APPROVED
May 31, 2024	Board of Trustees Resolution No. 19 Series of 2024.	SEDP MBA BOARD OF TRUSTEES OFFICERS RESOLVED, as it is hereby resolved that the Board of Trustees motion duly made, seconded, and unanimously carried the SEDP MBA Board of Trustees Officers.	APPROVED
	Board of Trustees Resolution No. 20 Series of 2024.	SEDP MBA COMMITTEES COMPOSITION RESOLVED, as it is hereby resolved that the Board of Trustees motion duly made, seconded, and unanimously carried the SEDP MBA BOT Committees Composition.	APPROVED
	Board of Trustees Resolution No. 21 Series of 2024.	UPDATING OF THE SEDP MBA AUTHORIZED REPRESENTATIVE AND BANK SIGNATORY RESOLVED, as it is hereby resolved that the Board of Trustees approved Ms. Ella Gonzalo as the new bank signatory effective July 1, 2024 for bank accounts under SEDP MBA Inc.	APPROVED
	Board of Trustees Resolution No. 22 Series of 2024.	UPDATING OF AUTHORIZED REPRESENTATIVE AND SIGNATORY TO PARTNER AGENCIES RESOLVED, as it is hereby resolved that the Board of Trustees approved Ms. Ella Gonzalo as the new Authorized representative and signatory for partner agencies effective July 1, 2024.	APPROVED
	Board of Trustees Resolution No. 23 Series of 2024.	APPOINTMENT OF NEW AML COMPLIANCE OFFICER RESOLVED, as it is hereby resolved that the Board of Trustees approved that Ms. Ella Gonzalo is the new AML Compliance Officer effective July 1, 2024.	APPROVED
	Board of Trustees Resolution No. 24 Series of 2024.	PROVISION OF CELLPHONE UNITS WITH PHP 300.00 MONTHLY COMMUNICATION ALLOWANCE AND T-SHIRT FOR SPO COORDINATORS RESOLVED, as it is hereby resolved that the Board of Trustees motion duly made, seconded, and unanimously carried the provision of Cellphone Units with Php 300.00 monthly communication allowance and T-shirt for SPO Coordinators .	APPROVED
June 14, 2024	Board of Trustees Resolution No. 25 Series of 2024.	AUTHORIZED REPRESENTATIVE TO EXECUTE FOREGOING AFFIDAVIT OF AUTHENTICITY FOR THE ANNUAL INVENTORY OF THE EXISTING ASSETS OF SEDP MBA AS OF DECEMBER 31, 2023 RESOLVED, as it is hereby resolved that the Board of Trustees motion duly made, seconded, and unanimously carried that Ms. Josie Belen is authorized to execute the foregoing Affidavit of Authenticity as a proof of good faith in complying with the requirements for the annual inventory of the existing assets of Simbag sa Emerhensya asin Dagdag	APPROVED

		Paseguro Mutual Benefit Association Inc. (SEDP MBA) as of December 31, 2023, to the Insurance Commission.	
	Board of Trustees Resolution No. 26 Series of 2024.	PRIMARY AND ALTERNATE AUTHORIZED SIGNATORY PAG-IBIG TRANSACTIONS RESOLVED, as it is hereby resolved that the Board of Trustees motion duly made, seconded, and unanimously carried that Mr. Roberto Dalit, General Manager of Simbag sa Emerhensya asin Dagdag Paseguro Mutual Benefit Association (SEDP MBA) Inc. and Ms. Josie Belen, Admin and Finance Officer to be the authorized primary & alternate signatory for Pag-Ibig fund transactions.	APPROVED
	Board of Trustees Resolution No. 27 Series of 2024.	AUTHORIZED REPRESENTATIVE TO REQUEST FOR BANK CERTIFICATION OF THE ACCOUNTS OF SEDP MBA AT BANCO DE ORO (BDO) RESOLVED, as it is hereby resolved that the Board of Trustees motion duly made, seconded, and unanimously carried that Mr. Roberto Dalit, General Manager of Simbag sa Emerhensya asin Dagdag Paseguro Mutual Benefit Association (SEDP MBA) Inc. authorized to request for a copy of bank certification of the above-mentioned SEDP MBA accounts as of December 31, 2023.	APPROVED
	Board of Trustees Resolution No. 28 Series of 2024.	AUTHORIZED REPRESENTATIVE OF SEDP MBA TO TRANSACT WITH BUREAU OF INTERNAL REVENUE (BIR) ON CHANGE IN OFFICE ADDRESS AND TAX CLASSIFICATION RESOLVED, as it is hereby resolved that the Board of Trustees motion duly made, seconded, and unanimously carried that Ms. Darlen M. Antuerpia and Ms. Nica Madrona are the authorized representative to request and transact the necessary changes in Simbag sa Emerhensya Asin Dagdag Paseguro Mutual Benefit Association Inc. (SEDP MBA) tax classification as per the requirements and guidelines set forth by the Bureau of Internal Revenue (BIR).	APPROVED
August 6, 2024	Board of Trustees Resolution No. 29 Series of 2024.	2ND QUARTER ACCOMPLISHMENT RESOLVED, as it is hereby resolved that the Board of Trustees approved the 2nd Quarter Accomplishment.	APPROVED
	Board of Trustees Resolution No. 30 Series of 2024.	ATTENDEES AT GOLDEN ARROW RECOGNITION RESOLVED, as it is hereby resolved that the Board of Trustees approved the Attendees for the Golden Arrow Recognition on Thursday, 19 September 2024, from 5:00 PM to 8:00 PM at the Manila Ballroom – Manila Marriott Hotel.	APPROVED
	Board of Trustees Resolution No. 31 Series of 2024.	ENHANCEMENT OF THE SEDP MBA WEBSITE RESOLVED, as it is hereby resolved that the Board of Trustees approved the proposal for the Enhancement of the SEDP MBA Website amounting to Php 72, 000.00 with Post Launch Support of Php 1,000.00 per hour.	
	Board of Trustees Resolution No. 32 Series of 2024.	2024 MANAGEMENT FORUM RESOLVED, as it is hereby resolved that the Board of Trustees approved the attendees for the 2024 Management forum on August 27-31, 2024 at NSCC Plaza Hotel and Conference Center Caoayan, Ilocos Sur.	APPROVED
	Board of Trustees Resolution No. 33 Series of 2024.	OPENING FOR COORDINATOR POSITION RESOLVED, as it is hereby resolved that the Board of Trustees approved the recommendation that Ms. Liza Bitas will be the additional detailed coordinator position in SEDP MBA.	APPROVED

		RESOLVED, as it is hereby resolved that the Board of Trustees motion duly made, seconded, and unanimously carried the SEDP MBA Board of Trustees Officers.																						
	Board of Trustees Resolution No. 34 Series of 2024.	TRAINING ALLOWANCE OF THE GENERAL MANAGER RESOLVED, as it is hereby resolved that the Board of Trustees approved the Php 1,800.00 monthly training allowance of the General Manager.	APPROVED																					
	Board of Trustees Resolution No. 35 Series of 2024.	2ND QUARTER PERFORMANCE-BASED INCENTIVE RESOLVED, as it is hereby resolved that the Board of Trustees approved the 2nd Quarter Performance-based Incentive amounting to Php 10,802.00	APPROVED																					
	Board of Trustees Resolution No. 36 Series of 2024.	2ND QUARTER FINANCIAL REPORT RESOLVED, as it is hereby resolved that the Board of Trustees approved the 2nd Quarter Financial Report	APPROVED																					
	Board of Trustees Resolution No. 37 Series of 2024.	INVESTMENT MIX AS OF JULY 24, 2024 RESOLVED, as it is hereby resolved that the Board of Trustees approved the Investment Mix as of July 24, 2024.	APPROVED																					
	Board of Trustees Resolution No. 38 Series of 2024.	PROPOSAL OF SIMON OF CYRENE RESOLVED, as it is hereby resolved that the Board of Trustees approved the proposal of Simon of Cyrene.	APPROVED																					
	Board of Trustees Resolution No. 39 Series of 2024.	AUTHORIZED REPRESENTATIVE TO TRANSACT WITH BUREAU OF INTERNAL REVENUE (BIR) ON REGISTRATION FOR ONLINE REGISTRATION AND UPDATE SYSTEM (ORUS) RESOLVED, as it is hereby resolved that the Board of Trustees approved that Mr. Arjohn Apellado is the authorized representative of SEDP MBA to transact with Bureau of Internal Revenue (BIR) on Registration for Online Registration and Update System (ORUS)	APPROVED																					
	Board of Trustees Resolution No. 40 Series of 2024.	ADDITIONAL AUTHORIZED SIGNATORY FOR SEDP MBA BANK ACCOUNTS RESOLVED, as it is hereby resolved that the Board of Trustees approved that Ms. Teresita Galang will be an additional authorized signatory for SEDP MBA bank accounts.	APPROVED																					
	Board of Trustees Resolution No. 41 Series of 2024.	ALLOCATION OF SURPLUS IN EXCESS OF 20% FREE AND UNASSIGNED FUND BALANCE RESOLVED, as it is hereby resolved that the Board of Trustees approved the allocation of surplus in excess of 20% free and unassigned fund balance. <table border="1"><thead><tr><th>PARTICULARS</th><th>% RATE</th><th>AMOUNT</th></tr></thead><tbody><tr><td>Members' Benefit fund Members'</td><td>70%</td><td>24,806,792.35</td></tr><tr><td>Education Fund Capacity Building Fund</td><td>10%</td><td>3,543,827.48</td></tr><tr><td>Acquisition of Systems and Equipment</td><td>10%</td><td>3,543,827.48</td></tr><tr><td>Research & Development Fund</td><td>5%</td><td>1,771,913.74</td></tr><tr><td>TOTAL</td><td>5%</td><td>1,771,913.74</td></tr><tr><td></td><td>100%</td><td>35,438,274.79</td></tr></tbody></table>	PARTICULARS	% RATE	AMOUNT	Members' Benefit fund Members'	70%	24,806,792.35	Education Fund Capacity Building Fund	10%	3,543,827.48	Acquisition of Systems and Equipment	10%	3,543,827.48	Research & Development Fund	5%	1,771,913.74	TOTAL	5%	1,771,913.74		100%	35,438,274.79	APPROVED
PARTICULARS	% RATE	AMOUNT																						
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Research & Development Fund	5%	1,771,913.74																						
TOTAL	5%	1,771,913.74																						
	100%	35,438,274.79																						
October 18, 2024	Board of Trustees Resolution No. 42 Series of 2024.	3RD QUARTER ACCOMPLISHMENT RESOLVED, as it is hereby resolved that the Board of Trustees approved the 3rd Quarter Operations Status Report.	APPROVED																					

Board of Trustees Resolution No. 43 Series of 2024.	SEDP MBA NEW PRODUCTS RESOLVED, as it is hereby resolved that the Board of Trustees approved the Dakila Plan Platinum and Bahay, Buhay, Kabuhayan (BBK) Program, Masikap Plan and CTPL.	APPROVED
Board of Trustees Resolution No. 44 Series of 2024.	CORPORATE SOCIAL RESPONSIBILITY PROPOSAL RESOLVED, as it is hereby resolved that the Board of Trustees approved the Corporate Social Responsibility Proposal.	APPROVED
Board of Trustees Resolution No. 45 Series of 2024.	RETIREMENT BENEFIT OF MR. ROBERTO DALIT RESOLVED, as it is hereby resolved that the Board of Trustees approved the retirement benefit of Mr. Roberto Dalit.	APPROVED
Board of Trustees Resolution No. 46 Series of 2024.	TRAININGS AND SEMINARS FOR THE 4TH QUARTER OF 2024 RESOLVED, as it is hereby resolved that the Board of Trustees approved the participants for the following Trainings and Seminars: a . Risk Management Mini Seminar -Oct. 18 2pm Participant: Ms. Ella Gonzalo, Ms. Teresita Galang, and all SEDP MBA Staff b. GAW – October 28-30, 2024 Participant: Ms. Ella Gonzalo c. Claims Management Master Class – November 28-29, 2024 Participants: Ms. Ella Gonzalo and Ms. Ma. Charmaine Tubalinal	APPROVED
Board of Trustees Resolution No. 47 Series of 2024.	LOYALTY AWARD FOR 15 AND 20 YEARS RESOLVED, as it is hereby resolved that the Board of Trustees approved the Loyalty award for 15 and 20 years A. Employees with 20 Years of Service ○ Cash Gift: Php 10,000.00 ○ Token: Item worth Php 15,000.00 B. Employees with 15 Years of Service a. Cash Gift: Php 7,500.00	APPROVED
Board of Trustees Resolution No. 48 Series of 2024.	FINANCIAL REPORT FOR THE 3RD QUARTER OF 2024 RESOLVED, as it is hereby resolved that the Board of Trustees approved the Financial Report for the 3rd Quarter of 2024	APPROVED
Board of Trustees Resolution No. 49 Series of 2024.	INVESTMENT MIX AS OF SEPTEMBER 30, 2024 RESOLVED, as it is hereby resolved that the Board of Trustees approved the Investment Mix as of September 30, 2024	APPROVED
Board of Trustees Resolution No. 50 Series of 2024.	CORPORATE CREDIT CARD APPLICATION RESOLVED, as it is hereby resolved that the Board of Trustees approved th Corporate Credit card application.	APPROVED
Board of Trustees Resolution No. 51 Series of 2024.	STAFF PERFORMANCE-BASED INCENTIVE FOR THE 3RD QUARTER OF 2024 RESOLVED, as it is hereby resolved that the Board of Trustees approved the staff performance-based incentive amounting to Php 10,884.50 for the 3rd Quarter of 2024.	APPROVED

	Board of Trustees Resolution No. 52 Series of 2024.	REFERENDUM OF FREE AND UNASSIGNED BALANCE RESOLVED, as it is hereby resolved that the Board of Trustees approved the referendum for Free and Unassigned Fund	APPROVED
	Board of Trustees Resolution No. 53 Series of 2024.	MEMBERS ADVISORY OF FREE AND UNASSIGNED BALANCE RESOLVED, as it is hereby resolved that the Board of Trustees approved the advisory for Free and Unassigned Fund Balance.	APPROVED
	Board of Trustees Resolution No. 54 Series of 2024.	SEDP MBA REPRESENTATIVE TO ICMIF BIENNIAL CONFERENCE 2024 RESOLVED, as it is hereby resolved that the Board of Trustees approved that Fr. Jose Victor E. Lobrigo to the SEDP MBA representative to the ICMIF Biennial Conference 2024	APPROVED
	Board of Trustees Resolution No. 55 Series of 2024.	BUDGET FOR ICMIF BIENNIAL CONFERENCE 2024 RESOLVED, as it is hereby resolved that the Board of Trustees approved the subsidized Budget for ICMIF Biennial Conference 2024	APPROVED
December 20, 2024	Board of Trustees Resolution No. 56 Series of 2024.	MOA WITH SEDP MPC ON OFFICE BUILDING PREMISE RESOLVED, as it is hereby resolved that the Board of Trustees approved the MOA with SEDP MPC on Office Building Premise.	APPROVED
	Board of Trustees Resolution No. 57 Series of 2024.	MAINTENANCE COST OF OCCUPANCY OF THE OFFICE RESOLVED, as it is hereby resolved that the Board of Trustees approved the monthly maintenance cost of the building amounting to Php 35,000.00.	APPROVED
	Board of Trustees Resolution No. 58 Series of 2024.	STAFF PERFORMANCE-BASED INCENTIVE FOR THE 4TH QUARTER OF 2024 RESOLVED, as it is hereby resolved that the Board of Trustees approved the staff performance-based incentive amounting to Php 11,000.00 for the 4th Quarter of 2024.	APPROVED
	Board of Trustees Resolution No. 59 Series of 2024.	NEW REGULARIZED STAFF/ SALARY RESOLVED, as it is hereby resolved that the Board of Trustees approved the regularization of Ms. Kristine Joy Candidato effective November 10, 2024 with monthly salary of Php 20,441.70.	APPROVED
	Board of Trustees Resolution No. 60 Series of 2024.	PARTICIPANTS OF MICROINSURANCE FORUM 2025 RESOLVED, as it is hereby resolved that the Board of Trustees approved the participants of Microinsurance Forum 2025.	APPROVED
	Board of Trustees Resolution No. 61 Series of 2024.	STAFF YEAR-END BENEFITS RESOLVED, as it is hereby resolved that the Board of Trustees approved the year-end benefits of SEDP MBA Staff aligned in the approved benefits given to SEDP staff	APPROVED

COMMITTEE MEETINGS

GOVERNANCE COMMITTEE MEETINGS

NAME OF TRUSTEE	NO. OF COMMITTEE MTGS.	NO. OF MTGS. ATTENDED	%
REV. FR. JOSE VICTOR E. LOBRIGO Chairman	3	3	100%
MS. REMEGIA BALUCIO Member	4	4	100%
MS. TERESITA GALANG, CPA, DBA Member	4	4	100%
REV. FR. RAFAEL SAMBAJON Member	4	3	75%

DATE	AGENDA
April 19, 2024	<ul style="list-style-type: none"> A. CALL TO ORDER B. PRAYER C. DETREMINATION OF QUORUM D. APPROVAL OF THE PROPOSED AGENDA E. READING AND APPROVAL OF THE MINUTES OF THE LAST REGULAR BOARD MEETING F. BUSINESS ARISING FROM THE PREVIOUS MEETING AND ACTION TAKEN G. MATTERS FOR DISCUSSION/ APPROVAL <ul style="list-style-type: none"> 1. OPERATIONS STATUS REPORT - 1ST QUARTER 2024 2. RATIFICATION OF REFERENDUM <ul style="list-style-type: none"> a. AUTHORIZING MS. JOSIE BELEN TO EXECUTE THE FORGOING AFFIDAVIT OF AUTHORITY FOR THE ANNUAL INVENTORY OF EXISTING ASSETS b. AUTHORIZING MR. ROBERTO DALITTO REQUEST BANK CERTIFICATION OF SEDP MBA ACCOUNT AT BDO AUTHORIZING MS. DARLEN MADELARAN AND MS. NICAMADRONATO TRANSACT WITH THE BIRON TAX CLASSIFICATION AND CHANGE OF OFFICE ADDRESS c. APPROVAL OF THE 0.07% INTEREST RATE ON EQUITY VALUE OF MEMBERS TO BE CREDITED TO THE SAVINGS ACCOUNT OF INDIVIDUAL MEMBER d. APPOINTMENT OF MR. ROBERTO DALITTO AND MS. JOSIE BELEN AS PRIMARY AND ALTERNATE AUTHORIZED SIGNATORY FOR PAG-IBIG TRANSACTIONS e. ALTERNATE AUTHORIZED SIGNATORY FOR PAG-IBIG TRANSACTIONS 3. ANNUAL CORPORATE GOVERNANCE REPORT (ACGR) RATING RESULT 4. E-MUTUALS COUNTER PROPOSAL AND TIMELINE FOR APPROVAL 5. SPONSORSHIP TO THE NATIONAL MICROINSURANCE FORUM PUBLICATION
July 26, 2024	<ul style="list-style-type: none"> A. CALL TO ORDER B. PRAYER C. DETREMINATION OF QUORUM D. APPROVAL OF THE PROPOSED AGENDA E. READING AND APPROVAL OF THE MINUTES OF THE LAST REGULAR COMMITTEE MEETING F. BUSINESS ARISING FROM THE PREVIOUS MEETING AND ACTION TAKEN G. MATTERS FOR DISCUSSION/ APPROVAL <ul style="list-style-type: none"> 1. OPERATIONS STATUS REPORT - 2ND QUARTER 2024 2. FINANCIAL REPORT - 2ND QUARTER 2024 3. ANNUAL CORPORATE GOVERNANCE REPORT (ACGR)- 1 GOLDEN ARROW AWARD 4. ENHANCEMENT OF THE SEDP MBA WEBSITE H. OTHERS <ul style="list-style-type: none"> 1. PRIORITIES FOR THE 3RD QUARTER 2. PROPOSAL OF SIMON OF CYRENE 3. FUND HELD IN TRUST 4. SOCIAL PROTECTION REPORT
October 11, 2024	<ul style="list-style-type: none"> A. CALL TO ORDER B. PRAYER C. DETREMINATION OF QUORUM D. APPROVAL OF THE PROPOSED AGENDA E. READING AND APPROVAL OF THE MINUTES OF THE LAST REGULAR COMMITTEE MEETING F. BUSINESS ARISING FROM THE PREVIOUS MEETING AND ACTION TAKEN G. MATTERS FOR DISCUSSION/ APPROVAL <ul style="list-style-type: none"> 1. 3RD QUARTER OPERATIONS STATUS REPORT 2. 3RD QUARTER FINANCIAL REPORT 3. UPDATE ON SIMON OF CYRENE PROPOSAL 4. UPDATE ON E-MUTUALS 5. UPDATE ON ENHANCEMENT OF SEDP MBA WEBSITE 6. NEW PRODUCTS PROPOSAL <ul style="list-style-type: none"> A. CASHKO B. RMSI 7. STRATEGIC PLANNING SCHEDULE 8. CORPORATE SOCIAL RESPONSIBILITIES PROPOSAL 9. OTHER MATTERS <ul style="list-style-type: none"> A. SSS MEETING UPDATE *PENALTY
December 9, 2024	<ul style="list-style-type: none"> A. CALL TO ORDER B. PRAYER C. DETREMINATION OF QUORUM D. APPROVAL OF THE PROPOSED AGENDA E. MATTERS FOR DISCUSSION/ APPROVAL <ul style="list-style-type: none"> 1. MOA WITH SEDP MPC ON OFFICE BUILDING PREMISE 2. MICROINSURANCE FORUM 2025 F. OTHERS

HR AND REMUNERATION COMMITTEE MEETINGS

DATE	AGENDA
April 19, 2024	A. CALL TO ORDER B. PRAYER C. DETERMINATION OF QUORUM D. APPROVAL OF THE PROPOSED AGENDA E. READING AND APPROVAL OF THE MINUTES OF THE LAST REGULAR COMMITTEE MEETING F. BUSINESS ARISING FROM THE PREVIOUS MEETING AND ACTION TAKEN G. MATTERS FOR DISCUSSION/ APPROVAL <ol style="list-style-type: none"> 1. TRANSITION PLAN OF GENERAL MANAGER 2. STAFF PERFORMANCE BASED INCENTIVE – 1ST QUARTER 3. STAFF SALARY INCREMENT BASED ON THE 2023 PERFORMANCE EVALUATION H. OTHERS <ol style="list-style-type: none"> 1. GENERAL MANAGER PERFORMANCE EVALUATION FOR THE YEAR 2023
July 26, 2024	A. CALL TO ORDER B. PRAYER C. DETERMINATION OF QUORUM D. APPROVAL OF THE PROPOSED AGENDA E. READING AND APPROVAL OF THE MINUTES OF THE LAST REGULAR COMMITTEE MEETING F. BUSINESS ARISING FROM THE PREVIOUS MEETING AND ACTION TAKEN G. MATTERS FOR DISCUSSION/ APPROVAL <ol style="list-style-type: none"> 1. MANAGEMENT FORUM 2. OPENING FOR COORDINATOR POSITION 3. REMUNERATION AND TRAINING ALLOWANCE OF THE GENERAL MANAGER 4. STAFF PERFORMANCE-BASED INCENTIVE- 2ND QUARTER
October 11, 2024	A. CALL TO ORDER B. PRAYER C. DETERMINATION OF QUORUM D. APPROVAL OF THE PROPOSED AGENDA E. READING AND APPROVAL OF THE MINUTES OF THE LAST REGULAR COMMITTEE MEETING F. BUSINESS ARISING FROM THE PREVIOUS MEETING AND ACTION TAKEN G. MATTERS FOR DISCUSSION/ APPROVAL <ol style="list-style-type: none"> 1. PRESENTATION OF THE RETIREMENT BENEFITS CALCULATION FOR MR. DALIT AND RELATED ACTION ITEM 2. TRAINING/SEMINAR/WORKSHOPS SCHEDULES <ol style="list-style-type: none"> A . RISK MANAGEMENT MINI SEMINAR -OCT. 18 2PM B. GAW – OCTOBER 28-30, 2024 (PARTICIPANTS TO BE CONFIRMED) C. CLAIMS MANAGEMENT MASTER CLASS – NOVEMBER 28-29, 2024 (PARTICIPANTS: GONZALO AND BITARA) D . BUSINESS CONTINUITY PLAN WORKSHOP – DECEMBER 16-18, 2024 (RECOMMENDED PARTICIPANTS: GM, MFI ADMIN, MARKETING, OPERATIONS) 3. 1ST SEMESTER 2024 EVALUATION RESULT 4. LOYALTY AWARD FOR 15 YEARS AND 20 YEARS H. OTHER MATTERS <ol style="list-style-type: none"> 1. GENERAL MANAGER INITIAL FEEDBACK 2. UTILITY STAFF HIRING
December 9, 2024	A. CALL TO ORDER B. PRAYER C. DETERMINATION OF QUORUM D. APPROVAL OF THE PROPOSED AGENDA E. READING AND APPROVAL OF THE MINUTES OF THE LAST REGULAR COMMITTEE MEETING F. BUSINESS ARISING FROM THE PREVIOUS MEETING AND ACTION TAKEN G. MATTERS FOR DISCUSSION/ APPROVAL <ol style="list-style-type: none"> 1. STAFF YEAR-END BENEFITS 2. PERFORMANCE-BASED INCENTIVE FOR THE 4TH QUARTER OF 2024 3. NEW REGULARIZED STAFF 4. PARTICIPANTS OF MICROINSURANCE FORUM 2025 H. OTHERS

NAME OF TRUSTEE	NO. OF COMMITTEE MTGS.	NO. OF MTGS. ATTENDED	%
REV. FR. JOSE VICTOR E. LOBRIGO Chairman	3	3	100%
MS. REMEGIA BALUCIO Member	4	4	100%
MS. TERESITA GALANG, CPA, DBA Member	4	4	100%
REV. FR. RAFAEL SAMBAJON Member	4	3	75%

NOMINATION COMMITTEE MEETINGS

NAME OF TRUSTEE	NO. OF COMMITTEE MTGS.	NO. OF MTGS. ATTENDED	%
REV. FR. JOSE VICTOR E. LOBRIGO Chairman	2	2	100%
MS. REMEGIA BALUCIO Member	2	2	100%
MS. TERESITA GALANG, CPA, DBA Member	2	2	100%
REV. FR. RAFAEL SAMBAJON Member	1	1	100%

DATE	AGENDA
April 12, 2024	A. NOTICE OF ANNUAL GENERAL MEMBERSHIP MEETING B. NOMINATION OF BOARD OF TRUSTEES FOR ELECTION <ol style="list-style-type: none"> 1. INDEPENDENT TRUSTEE OTHERS <ol style="list-style-type: none"> 2. SCHEDULE OF GOVERNANCE COMMITTEE MEETING
October 11, 2024	A. ATTENDANCE RATE OF ONE INDEPENDENT TRUSTEE

FINANCE COMMITTEE MEETINGS

NAME OF TRUSTEE	NO. OF COMMITTEE MTGS.	NO. OF MTGS. ATTENDED	%
MS. TERESITA GALANG, CPA, DBA Chairman	4	4	100%
MS. AMALIA CLARIANES Member	4	3	75%
MS. ROSANA BALLARBARE Member	4	4	100%
MS. JOCELYN DIAZ Member	4	4	100%

DATE	AGENDA
May 3, 2024	<p>A. CALL TO ORDER</p> <p>B. PRAYER</p> <p>C. DETREMINATION OF QUORUM</p> <p>D. APPROVAL OF THE PROPOSED AGENDA</p> <p>E. READING AND APPROVAL OF THE MINUTES OF THE LAST FINANCE COMMITTEE MEETING</p> <p>F. BUSINESS ARISING FROM THE PREVIOUS MEETING AND ACTION TAKEN</p> <p>G. MATTERS FOR DISCUSSION/ APPROVAL</p> <ol style="list-style-type: none"> 1. OPERATIONS STATUS REPORT – 1ST QUARTER 2024 2. FINANCIAL REPORT - 1ST QUARTER 2024 3. INVESTMENT MIX 4. 2024 PROPOSED AND SUPPLEMENTAL BUDGET 5. PROPOSED BUDGET FOR STUDY TOUR IN JAPAN 6. E-MUTUALS AMENDED PROPOSED BUDGET 7. STAFF PERFORMANCE-BASED INCENTIVE FOR 1ST QUARTER 2024 <p>H. OTHERS</p>
July 26, 2024	<p>A. CALL TO ORDER</p> <p>B. PRAYER</p> <p>C. DETREMINATION OF QUORUM</p> <p>D. APPROVAL OF THE PROPOSED AGENDA</p> <p>E. READING AND APPROVAL OF THE MINUTES OF THE LAST FINANCE COMMITTEE MEETING</p> <p>F. BUSINESS ARISING FROM THE PREVIOUS MEETING AND ACTION TAKEN</p> <p>G. MATTERS FOR DISCUSSION/ APPROVAL</p> <ol style="list-style-type: none"> 1. OPERATIONS STATUS REPORT – 2ND QUARTER 2024 2. FINANCIAL REPORT -2ND QUARTER 2024 3. INVESTMENT MIX 4. BUDGET FOR THE ANNUAL CORPORATE GOVERNANCE REPORT (ACGR)- 1 GOLDEN ARROW AWARD 5. BUDGET FOR THE MANAGEMENT FORUM 6. REMUNERATION AND TRAINING ALLOWANCE OF THE GENERAL MANAGER 7. STAFF PERFORMANCE-BASED INCENTIVE- 2ND QUARTER
October 14, 2024	<p>A. CALL TO ORDER</p> <p>B. PRAYER</p> <p>C. DETREMINATION OF QUORUM</p> <p>D. APPROVAL OF THE PROPOSED AGENDA</p> <p>E. READING AND APPROVAL OF THE MINUTES OF THE LAST FINANCE COMMITTEE MEETING</p> <p>F. BUSINESS ARISING FROM THE PREVIOUS MEETING AND ACTION TAKEN</p> <p>G. MATTERS FOR DISCUSSION/ APPROVAL</p> <ol style="list-style-type: none"> 1. OPERATIONS STATUS REPORT – 3RD QUARTER 2024 2. FINANCIAL REPORT -3RD QUARTER 2024 3. INVESTMENT MIX 4. LOYALTY AWARD FOR 15 YEARS AND 20 YEARS 5. CREDIT CARD APPLICATION 6. PERFORMANCE-BASED INCENTIVE FOR THE 3RD QUARTER 2024 <p>H. OTHERS</p> <ol style="list-style-type: none"> 1. BASIC ACCOUNTING FOR NON-ACCOUNTANTS TRAINING
December 10, 2024	<p>A. CALL TO ORDER</p> <p>B. PRAYER</p> <p>C. DETREMINATION OF QUORUM</p> <p>D. APPROVAL OF THE PROPOSED AGENDA</p> <p>E. MATTERS FOR DISCUSSION/ APPROVAL</p> <ol style="list-style-type: none"> 1. STAFF YEAR-END BENEFITS 2. PERFORMANCE-BASED INCENTIVES FOR THE 4TH QUARTER OF 2024 3. NEW REGULARIZED STAFF/SALARY 4. MOA WITH SEDP MPC ON OFFICE BUILDING PREMISE <p>F. OTHERS</p>

AUDIT COMMITTEE MEETINGS

DATE	AGENDA
February 26, 2024	1. RESPONSIBILITIES FOR FINANCIAL STATEMENT 2. SCOPE OF AUDIT 3. SIGNIFICANT AUDIT MATTERS 4. TIMELINE
May 20, 2024	1. FINANCIAL STATEMENTS AUDIT – MANAGEMENT & EA RESPONSIBILITY 2. FINANCIAL HIGHLIGHTS 03 SIGNIFICANT AUDIT MATTERS 3. RESPONSIBILITIES FOR FINANCIAL STATEMENT
August 13, 2024	1. SEDP MBAI FINANCIAL CONDITION 2. SUMMARY OF NON-ADMITTED ASSET 3. REGULATORY REQUIREMENTS 4. OTHER FINDINGS 5. QUESTION AND ANSWER

NAME OF TRUSTEE	NO. OF COMMITTEE MTGS.	NO. OF MTGS. ATTENDED	%
REV. FR. REX PAUL ARJONA Chairman	1	1	100%
REV. FR. RAFAEL SAMBAJON Member	3	3	100%
MS. ROCHELLE APOON Member	3	3	100%
MS. TERESITA GALANG, CPA, DBA Member	3	3	100%

BOARD RISK OVERSIGHT COMMITTEE MEETINGS

DATE	AGENDA
May 7, 2024	A. 1st QUARTER RISK ASSESSMENT REPORT
August 6, 2024	A. 2ND QUARTER RISK ASSESSMENT REPORT
October 18, 2024	A. 3RD QUARTER RISK ASSESSMENT REPORT
December 20, 2024	A. 4TH QUARTER RISK ASSESSMENT REPORT

NAME OF TRUSTEE	NO. OF COMMITTEE MTGS.	NO. OF MTGS. ATTENDED	%
REV. FR. RAFAEL SAMBAJON Chairman	4	4	100%
REV. FR. JOSE VICTOR LOBRIGO Member	3	3	100%
MS. TERESITA GALANG, CPA, DBA Member	4	4	100%
MS. RIZA BARRAMEDA, CPA Member	1	1	100%

RELATED PARTY TRANSACTION COMMITTEE MEETINGS

DATE	AGENDA
May 7, 2024	A. 1st QUARTER RELATED PARTY TRANSACTION REPORT
August 6, 2024	A. 2ND QUARTER RELATED PARTY TRANSACTION REPORT
October 18, 2024	A. 3RD QUARTER RELATED PARTY TRANSACTION REPORT
December 20, 2024	A. 4TH QUARTER RELATED PARTY TRANSACTION REPORT

NAME OF TRUSTEE	NO. OF COMMITTEE MTGS.	NO. OF MTGS. ATTENDED	%
REV. FR. JOSE VICTOR LOBRIGO Chairman	3	3	100%
REV. FR. RAFAEL SAMBAJON Member	4	4	100%
MS. ROSANA BALLARBARE Member	4	4	100%
MS. AMALIA CLARIANES Member	4	4	100%

REMUNERATION POLICY FOR THE BOARD AND GENERAL MANAGER

The members of the Board of Trustees served the association in a volunteer manner wherein only actual reimbursements of transportation expense, communication expense and capacity building .

For the year 2024, A total of One Hundred Forty Five Thousand pesos (Php 145,000.00) was release to cover the SEDP MBA Board of Trustees expenses in the performance of their duties and responsibilities.

NAME OF TRUSTEE	DESIGNATION	AMOUNT REIMBURSED
FR. JOSE VICTOR E. LOBRIGO	CHAIRMAN	Php 18,000.00
MS. TERESITA GALANG	VICE- CHAIRMAN	Php 32,000.00
FR. RAFAEL SAMBAJON	INDEPENDENT TRUSTEE/ BOARD SECRETARY	Php 22,500.00
MS. ROSANA BALLARBARE	TREASURER	Php 20,000.00
FR. REX PAUL ARJONA	INDEPENDENT TRUSTEE	Php 15,500.00
MS. ROCHELLE APOON	MEMBER	Php 18,500.00
MS. AMALIA CLARIANES	MEMBER	Php 18,500.00
TOTAL		Php 145,000.00

The SEDP MBA HR and Remuneration Committee oversees the remuneration strategies adopted by SEDP-MBA, review policies related to remuneration arrangements (including incentives) applicable to SEDP-MBA management and staff when necessary and Ensure regular updates are received from management on changes or emerging issues and consider the impact on current remuneration practices and agreements.

The SEDP MBA HR and Remuneration Committee proposed to the SEDP MBA Board of Trustees the salary structure wherein the salary of the staff were based. The monthly compensation of the General Manager was discussed through an executive session, without the presence of the General Manager.

The General Manager-Trainee receives a monthly compensation equivalent to Forty Four Thousand Pesos (Php 44,000.00).

OUR TEAM



MS. ELLA S. GONZALO
General Manager-Trainee/
Compliance Officer- Trainee

Meet our dedicated team of professionals who have contributed their expertise, passion, and collaboration to drive our success.



MS. JOSIE B. BELEN
Admin and Finance Officer/
Alternate Compliance Officer



MS. NICA B. MADRONA
Management Support Staff/
Corporate Secretary/ DPO



MS. MA. CHARMAINE B. TUBALINAL
Claims Processor



MS. JENNIE N. SAYSON
MBA Staff Coordinator



MR. JASON M. BUBAN
Bookkeeper



MS. KRISTINE JOY B. CANDIDATO
Virtual Creator



MR. ARJOHN L. APELLADO
Bookkeeper



MS. FRANCIA B. BOBIER
Cashier

EMPLOYEE MANAGEMENT

The SEDP MBA Management Team, led by the General Manager, oversees key institutional functions including finance, administration, human resources, and marketing. The General Manager reports directly to the Board of Trustees and is responsible for supervising core personnel and ensuring the effective implementation of institutional strategies aligned with the organization’s goals.

The role of the General Manager encompasses the overall management of operations, enforcement of administrative policies, oversight of budget planning and execution, and promotion of strong collaboration among internal teams and external partners. In addition, the General Manager plays an active role in strategic decision-making to drive the organization’s mission forward.

For the year 2024, SEDP MBA has a 1 General Manager- Trainee, 1 Officer and 7 rank and file staff

NAME OF TRUSTEE	DESIGNATION	SALARY GRADE	GENDER
Ms. Ella S. Gonzalo	General Manager-Trainee	G6S5	Female
Ms. Josie Belen	Admin. and Finance Officer	G6S4	Female
Ms. Nica Madrona	Management Support Staff	G4S2	Female
Ms. Ma. Charmaine Tubalinal	Claims Processor	G4S3	Female
Ms. Jennie Sayson	MBA Staff Coordinator	G4S5	Female
Mr. Jason Buban	Bookkeeper	G3S2	Male
Ms. Arjohn Apellado	Bookkeeper	G3S3	Male
Ms. Francia Bobier	Cashier	G4S2	Female
Ms. Kristine Joy Candidato	Virtual Creator	G3S9	Female

The staff salary is reviewed periodically by the HR and Remuneration Committee to ensure that it is at par with market rate.

EMPLOYEE REWARDS POLICY

ANNUAL SALARY INCREMENT

Employees undergo performance evaluations semi-annually, covering January to June and July to December. The Annual Evaluation result will be the basis of the annual salary increment of the staff for the succeeding year, only staff with Descriptive scale of Very Satisfactory and Outstanding are eligible for the increase. The SEDP MBA Board of Trustees will determine the percentage calculations on which raises are to be based.

PERFORMANCE BASED INCENTIVE

Employees are granted performance-based incentives in accordance with the management's success in meeting quarterly key result area (KRA) objectives. However, the approval of these incentives by the Board of Trustee is conditional upon the submission and review of the accomplishment report.

NON-MONETARY BENEFITS

Non-monetary benefits significantly contribute to employee satisfaction, motivation, and retention. Although financial rewards are important, non-financial incentives can be just as effective—if not more so—in promoting a healthy work culture, nurturing loyalty, and driving performance. These benefits often mirror the organization's values and reflect its genuine commitment to the personal and professional well-being of its workforce.

The SEDP MBA provides:

- Access to workshops, training sessions, certifications, and continued learning helps employees advance their skills and careers.
- Adjustable working hours
- Structured career development plans and mentoring opportunities
- Programs that promote physical and mental health
- Organize events, team outings, and social activities

PROVISION OF HMO AND HEALTH SUPPORT FOR EMPLOYEES

In line with its strong commitment to employee wellness, SEDP MBA provides a comprehensive Health Maintenance Organization (HMO) package to ensure staff have access to essential healthcare services. This benefit includes medical, dental, and optical coverage aimed at supporting overall health and well-being.

For this period, SEDP MBA allocated a total of ₱78,184.89 to cover employees' health-related needs, distributed as follows:

- ₱64,684.89 for medical check-ups and laboratory tests
- ₱6,000.00 for dental care, including consultations, cleaning, and basic procedures
- ₱7,500.00 for optical services such as eye examinations and prescription eyewear

This initiative highlights SEDP MBA's dedication to fostering a healthy and resilient workforce, recognizing that caring for employees' well-being directly contributes to the organization's sustained growth and success.

SEDP MBA ACTIVITIES

The SEDP MBA activities aims to foster team connections, develop skills, and create positive work environment, all of which contribute to the overall well-being and success of the institution. Through this activities, SEDP MBA Management can uplift morale, fortify interpersonal connections, and instill a sense of belonging among employees.

Moreover, such activities offer platforms for fostering creativity, innovation, and collaboration, thus strengthen teamwork and problem-solving abilities. Essentially, this SEDP MBA activities are crucial in fostering a dynamic and supportive workplace culture, which is essential for attracting, retaining, and empowering talented employees, thereby driving institutional growth.



FEBRUARY 2024

KMBA EXPOSURE

The SEDP Board of Trustees, staff, and MBA Coordinators held a two-day exposure visit at Kasagana-Ka MBA, located at 5 Matimpiin Street, Brgy. Pininyahan, Quezon City, Metro Manila, last January 25–26, 2024.

On the first day, a debriefing session was conducted, focusing on the roles and responsibilities of the Coordinators, their allowances, and observations during center meetings. The second day began with attendance at the KMBA Board of Trustees meeting, followed by an afternoon debriefing with Fr. Lobrigo and the KMBA Board of Trustees to discuss insights and observations gathered during the exposure and the Board meeting.



MARCH 2024

STAFF LENTEN RECOLLECTION

The management and staff of SEDP MBA participated in a Lenten Recollection led by Fr. Gem Penetrante on March 22, 2024, held at the Social Hall of The Chancery Building, Old Albay District, Legazpi City.



MAY 2024

SEDP MBA HELD 2024 ANNUAL GENERAL MEMBERSHIP MEETING

The 15th Annual General Membership Meeting (AGM) of SEDP MBA was held on May 25, 2024, at Sarte Hall El Palacio, located at 61 Sikatuna Street, Old Albay District, Legazpi City. This gathering marked the organization's first face-to-face AGM since the pandemic and was attended by the Board of Trustees, management, staff, top leadership, and selected member representatives from various SEDP operational areas.

The primary objective of the meeting was to update members on SEDP MBA's financial performance, with particular emphasis on the protection benefits available to members. These include coverage for death, disability, daily hospitalization allowance, and credit loan insurance. Members also benefit from additional support programs such as Calamity Assistance, Marriage Validation, and SEDP Care.

The AGM serves as a crucial venue for fostering transparency in the organization's operations, plans, and initiatives. It provides members with the opportunity to voice concerns, ask questions, and actively participate in important decision-making processes most notably, the election of directors. This engagement promotes accountability and helps ensure that the leadership remains responsive to the needs and priorities of its members.



JUNE 2024

SIMBAG MICROFINANCE LEADER'S CONFERENCE 2024

The SEDP MBA management and staff took part in the SIMBAG Microfinance Leaders' Conference 2024, held at the Proxy Convention Center (PCC), Proxy by The Oriental Hotel, Peñaranda Street, Legazpi City, Albay. The event was held in celebration of Simbag Microfinance's 30th Anniversary, with Dr. Aris Alip renowned microfinance industry leader and Ramon Magsaysay Awardee delivering the keynote address during the conference.



Our 30 Inspiring Members

In celebration of Simbag Microfinance's 30th anniversary—three decades of empowering the entrepreneurial poor, 30 inspiring members were recognized for their resilience, dedication, and impact in their communities. Each honoree received a Plaque of Appreciation, cash incentives from Simbag Microfinance, and free 5-year insurance coverage under the Dakila Plan from SEDP MBA—a tribute to their unwavering spirit and journey toward a more secure and hopeful future.



JULY 2024

DSWD ALBAYYanihan Roadshow.

JULY 18, 2024 | THURSDAY

SEDP MBA TOOK PART IN THE DSWD CONVERGENCE CARAVAN LAST JULY 18, 2024 HELD AT THE LIBON COMMUNITY COLLEGE GYMNASIUM, WITH THE THEME "SARARO, SARABAY PARA SA PAG ASENSO KANG 4PS LIBONGUEÑO".



JULY 19, 2024 | FRIDAY

SEDP MBA PARTICIPATED IN THE ALBAYYANIHAN: CONVERGENCE CARAVAN 2024 FOR THE 4PS BENEFICIARIES OF THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT (DSWD) REGION V, HELD AT THE ALBAY ASTRODOME, LEGAZPI CITY.



Tripartite agreement for the Kaagapay program

Serviamus MBA, SEDP MBA and MiMAP signed a tripartite agreement for the Kaagapay program to make possible SEDP MBA's training, coaching and mentoring to the Board and management of Serviamus MBA.

On-site assessment, training and mentoring sessions were facilitated by Mr. Roberto Dalit, immediate past GM of SEDP MBA for Serviamus MBA management staff on July 18-19, 2024 in Iligan City. The assessment results feed into the Synergy Workshop of the Serviamus group of institutions that was facilitated by Fr. Jovic Lobrigo, SEDP MBA President last July 22-23, 2004.



SIMBAG EDUKASYON

Simbag Microfinance continued to distribute Educational Assistance to its members last July and August 2024.

The Educational Assistance is given to good-performing members and centers (Green) who have children enrolled in Elementary, Junior High, or Senior High School with a general weighted average of at least 85 percent.

The assistance is provided in the form of Gift Certificates (GCs) worth 300 pesos for elementary students and 500 pesos for junior and senior high school students, which can be used to purchase school supplies.

Educational Assistance is one of the value-added services offered by Simbag Microfinance.



♀ Libmanan Satellite Parish Outreach



♀ Aroroy Satellite Parish Outreach



♀ Virac Satellite Parish Outreach



♀ Pili-Canaman Satellite Parish Outreach



♀ Bacacay 1 Satellite Parish Outreach



♀ Tiwi Satellite Parish Outreach



♀ Albay District Satellite Parish Outreach

ACGS Golden Arrow Awards

The Simbag sa Emerhensiya Asin Dagdag Paseguro Mutual Benefit Association, Inc. (SEDP MBA) was honored with the Golden Arrow Award during the recognition ceremony hosted by the Institute of Corporate Directors (ICD) held last September 19, 2024, at the Manila Ballroom of Marriott Hotel Manila, Pasay City.

The event was attended by the following representatives:

- Teresita Galang – BOT Vice Chairperson
- Roberto Dalit – Former General Manager
- Ella Gonzalo – General Manager Trainee
- Josie Belen – Admin & Finance Officer
- Nica Madrona – Management Support Staff

This prestigious award reflects SEDP MBA's unwavering commitment to delivering effective service and advancing the well-being of its members and their families.



Product, Enrollment, and Claims Refresher session

On September 18, 2024, RMSI conducted a refresher session on products, enrollment, and claims for SEDP MBA. The session was attended by around twenty participants, including branch heads, MFI officers, and members of the MBA Secretariat.

The program focused on essential areas such as product features, enrollment processes, and claims procedures. It also served as a continuous learning initiative aimed at improving operational efficiency and deepening participants' understanding of the offerings.

In the afternoon session, RMSI presented a performance report, outlined an action plan to boost product performance, and introduced strategies for enhancing enrollment. These efforts aim to enrich the SEDP MBA experience and better address the needs of its client-members.



Strategic Planning Session

Simbag Microfinance held a highly engaging two-day Strategic Planning Session on October 15-16, 2024, at the 4th Floor Social Hall of The Chancery Building, Legazpi City. The session was facilitated by Rev. Fr. Rex Paul B. Arjona, President and CEO. It gathered the Board of Trustees, top management, officers, and managers to collectively shape the organization's future direction. The main goal of the session was to develop concrete and sustainable strategies to support the institution's growth and long-term stability over the next three years.



SEDP MBA & Simon of Cyrene Community Rehabilitation and Development Foundation, Inc.

On October 19, 2024, SEDP MBA proudly took part in the 42nd Anniversary celebration of the Simon of Cyrene Foundation. The event featured the Annual General Assembly, which included the Election of the Board of Trustees marking a significant occasion for reflection and continued progress.

A key highlight of the day was the official signing of the partnership agreement between SEDP MBA and the Simon of Cyrene Foundation, a milestone that formalizes our shared commitment to inclusive development and the welfare of our stakeholders.

Representing SEDP MBA:

- Ms. Teresita Q. Galang, Vice Chairperson
- Ms. Ella S. Gonzalo, General Manager- Trainee

Representing Simon of Cyrene Foundation:

- Atty. Mary Ailyne L. Zamora, Chairperson
- Jovy A. Lisbog, Executive Director



NOVEMBER 2024

MBA COORDINATORS MEETING

The MBA Coordinators gathered on November 22, 2024, at the SEDCen Training Hall, Landco Business Park, Legazpi City, to discuss issues and concerns, enhance service delivery for members and beneficiaries, and share important updates.

November 20, 2024, at the Pili Satellite Parish Outreach Office.

The activity was led by our MBA Staff Coordinators, Ms. Liza B. Bitas and Ms. Jennie N. Sayson.



STAFF TEAMBUILDING "Strengthening Bonds, Building Dreams"

To strengthen relationships, boost teamwork, and cultivate a spirit of collaboration, the MBA Staff came together for a Team Building activity on November 8, 2024, at the peaceful and refreshing Granja De Tatin.

The day featured a series of interactive activities aimed at building trust, improving communication, and fostering camaraderie among the team. Through team challenges, reflective discussions, and fun-filled games, staff members had the opportunity to relax, reconnect, and realign with the organization's core values and shared mission.

This meaningful event not only reinforced unity and cooperation but also served as a powerful reminder of the value of working together toward a common purpose. Energized and inspired, the MBA staff remain committed to delivering quality service to members and beneficiaries with excellence, compassion, and heart.



MBA STAFF CHRISTMAS PARTY 2024

December 18, 2024 | A Celebration of Gratitude, Joy, and Togetherness

In the spirit of the holiday season, the MBA Staff gathered to celebrate their annual Christmas Party at SEDP MBA Conference Room.

Held in a cheerful and festive atmosphere, the celebration brought together the entire team for a night of meaningful bonding, delightful games and gift-giving. It was a time to recognize the collective efforts and hard work of everyone throughout the year, and to simply enjoy each other's company beyond the walls of the workplace.

The event also served as a moment of reflection and thanksgiving for the milestones achieved, the challenges overcome, and the shared journey of service to members and their families.

As 2024 comes to a close, the MBA staff looks forward to the new year with renewed energy, unity, and hope ready to continue the mission of service with dedication, joy, and compassion.



SIMBAG GENERAL ASSEMBLY AND CHRISTMAS PARTY

On December 21, 2024, Simbag Microfinance brought together its dedicated team for the General Assembly and Christmas Party, held at the Legazpi City Convention Center a day filled with celebration, and unity.

The morning was dedicated to the General Assembly, where key accomplishments, updates, and plans were presented. It served as an opportunity to recognize the efforts of the team, highlight milestones, and align on the direction moving into the new year. Leadership expressed gratitude to all staff for their unwavering dedication and hard work throughout 2024.

In the afternoon, the mood turned festive as the Christmas Party kicked off with vibrant performances, raffles, and gift-giving. The celebration created moments of joy and togetherness, reminding everyone of the strength of the Simbag family spirit.

The event not only celebrated the holiday season but also served as a meaningful close to a year of service, resilience, and shared achievements. With hearts full of gratitude and hope, the Simbag team looks forward to another year of empowering communities and serving with compassion.



SEDP MBA CORPORATE SOCIAL RESPONSIBILITY

The provision and implementation of SEDP MBA Corporate Social Responsibility was made possible through the collaboration with the Diocesan Commission on Social Concern of the Diocese of Legazpi, SEDP- Simbag sa Pag-Asenso Inc. (A Microfinance NGO) and the SEDP Multi-Purpose Cooperative. Some of the activities for the year 2024 are the following that benefited our member beneficiaries.



Orientation and Distribution of Grafted Pili

On February 9, 2024, 600 grafted pili trees from the Department of Agriculture, Albay Research Center were distributed to six members of SEDP-Simbag sa Pag-assenso, Inc. (A Microfinance NGO) and SEDP MBA from Ligao City.

The activity included an orientation led by the SEDP Pili Hub, where members were educated on the proper planting and care of pili trees. Each member received 100 grafted pili trees to plant and take care of in their respective backyards.



COMMITMENT BUILDING CEREMONY

Thirty-five (35) members of SEDP-Simbag sa Pag-assenso, Inc. (A Microfinance NGO) and SEDP MBA from the UWMP1 and UWMP2 centers in Muladbucad, Guinobatan, Albay attended the Commitment Building Ceremony (CBC) on April 10, 2024.

The CBC is part of SEDP's formation services aimed at strengthening the spiritual life of its members. During the event, emphasis was placed on reinforcing each member's commitment to the organization and its mission.



COMMUNITY CLEAN-UP DRIVE

On May 10, 2024, members of SEDP-Simbag sa Pag-asenso, Inc. (A Microfinance NGO) and SEDP MBA from various centers conducted a Community Clean-up Drive at the Rapu-Rapu Satellite Parish Outreach.

The Community Clean-up Drive is an initiative led by the members, where they participate in general cleaning activities in their barangays or churches. This event reflects their role as servant leaders and embodies the principle of unity that SEDP teaches.



Community Clean-up Drive
Rapu-Rapu Satellite Parish Outreach
May 10, 2024



Community Clean-up Drive
Rapu-Rapu Satellite Parish Outreach
May 10, 2024

CENTER OFFICERS TRAINING 2 (COT-2)

Forty-two (42) Center Officers of SEDP-Simbag sa Pag-asenso, Inc. (A Microfinance NGO) and SEDP MBA from Ligao City attended the Center Officers Training 2 (COT-2) on May 9, 2024.

The training was held at La Terraza Kawa-Kawa in Ligao City and was led by the SEDP Simbag Members Development Services Unit (MDS). This activity is part of the Formation and Training programs provided by SEDP to equip members with additional knowledge about their roles and responsibilities as leaders of their respective centers.



Center Officers Training 2
Ligao Satellite Parish Outreach
May 9, 2024



Center Officers Training 2
Ligao Satellite Parish Outreach
May 9, 2024

BASIC BIBLE ORIENTATION

Seventeen (17) members of SEDP-Simbag sa Pag-Asenso, Inc. (A Microfinance NGO) and SEDP MBA from the NKP1 center in the municipality of Pioduran, Albay attended the Basic Bible Orientation (BBO) on April 26, 2024.

The Basic Bible Orientation teaches members the fundamentals of reading and using the Bible. It is a formation activity designed to prepare them for the Basic Bible Facilitation (BBF), which will guide them in properly sharing their reflections during the first part of their center meetings.

The BBO is part of the formation services offered by SEDP to strengthen and improve the spiritual lives of its members.



BRIGADA PAROKYA

Members of Simbag Microfinance and SEDP MBA from the Bacacay 1 Satellite Parish Outreach collaborated in the Brigada Parokya held on August 28, 2024.

The Brigada Parokya is an initiative led by the members, where they engage in general cleaning activities in their barangays or churches. This event highlights their role as servant leaders and reflects the principle of unity promoted by SEDP.



SIMON OF CYRENE

SEDP MBA, in partnership with the Simon of Cyrene Community Rehabilitation and Development Foundation, supported the mapping of Persons with Disabilities (PWDs) in the municipalities of Camalig, Daraga, and Bacacay in Albay, amounting to Php500,729.73. Both organizations believe that the programs and services can contribute to and complement each other in empowering PWDs, promoting social inclusion, and ensuring equal opportunities for all.



WASH ORIENTATION AND RELIEF DISTRIBUTION

In collaboration with the Peace and Equity Foundation and Water.org, 500 members of Simbag Microfinance from the Libon Satellite Parish Outreach received relief goods during the WASH Orientation and Relief Distribution held on October 30, 2024.



MEDICAL MISSIONS

In a continued effort to support the health and well-being of its members, Simbag Microfinance Inc. (Simbag MFI) organized Medical Missions to provide essential health services to members and their families.

The mission offered a variety of free services, including health checkups, optical exams, dental care, and the distribution of free medicines. Medical professionals and volunteers were on hand to provide consultations and checkups, ensuring that members received proper guidance for any health concerns.

The optical services offered free eye exams, with prescription eyeglasses provided to those in need, while dental services included free checkups and basic treatments, helping members maintain good oral health. Additionally, members were given free medicines to address common ailments, ensuring that essential treatments were accessible to everyone.

This initiative was made possible through the collective efforts of medical professionals, volunteers, and Simbag MFI and SEDP MBA's commitment to supporting the health and well-being of their members. By offering these essential health services, the Medical Mission not only addressed immediate health needs but also reinforced the importance of preventive care and healthy living.

With the goal of fostering a healthier and more vibrant community, Simbag MFI and SEDP MBA continue to prioritize the holistic well-being of their members helping them lead healthier lives and improving their overall quality of life.

**BARANGGAY BUENAVISTA,
USON, MASBATE**
March 6, 2024



MASBATE
March 7, 2024



LAOAG, NORTHERN SAMAR
MARCH 20, 2024



SATELLITE PARISH OUTREACH (SPO) NG LEGAZPI PORT AT ALBAY DISTRICT

April 25, 2024.



Center for Public Health (CPH)
Albay District SPO and Legazpi Port SPO
April 25, 2024



Center for Public Health (CPH)
Albay District SPO and Legazpi Port SPO
April 25, 2024

BACON, SORSOGON

July 7, 2024



Stinking Sated Medical Mission
Our Lady of the Immaculate Conception Parish, Bacon, Sorsogon
July 7, 2024



Stinking Sated Medical Mission
Our Lady of the Immaculate Conception Parish, Bacon, Sorsogon
July 7, 2024

AGUINALDO MASS AND FEEDING PROGRAM AND MASS SPONSORSHIP

In the spirit of community and compassion, SEDP MBA supported the celebration of the Aguinaldo Mass through a special initiative sponsoring a feeding program for members and parishioners in various SEDP Simbag Satellite Parish Outreach (SPO) operations in Albay.

Held alongside the traditional dawn Mass, SEDP MBA organized a “Palugaw” Feeding Program, providing warm, nourishing meals to attendees. This simple yet meaningful act of service aimed to share the joy of the season while addressing the immediate needs of the community.

The initiative reflects SEDP MBA’s ongoing commitment to not only protect the welfare of its members through microinsurance but also to promote solidarity, generosity, and compassion values that are deeply rooted in the Institution's mission.

Through activities like these, SEDP MBA continues to strengthen its bond with the community, making a positive impact during the most meaningful times of the year.



CALAMITY ASSISTANCE FOR TYPHOON KRISTINE VICTIMS

In the wake of Typhoon Kristine, Simbag Microfinance Inc. (Simbag MFI) and SEDP Microinsurance Benefit Association (SEDP MBA) quickly mobilized to provide Calamity Assistance to affected members and their families. Recognizing the immense challenges faced by communities during natural disasters, the SEDP Simbag and SEDP MBA extended much-needed relief to help those in distress. The Calamity Assistance Program offered immediate support, providing financial aid to members who were severely impacted by the typhoon. The assistance aimed to alleviate the hardships caused by the disaster, enabling families to begin the recovery process and rebuild their lives.

Through the program, members received essential relief such as blankets, cooking utensils, medical supplies, portable lighting, and sanitation kits, along with financial assistance to support recovery efforts. Beyond material aid, the initiative also prioritized emotional and moral support, assuring members that they are not alone in facing these challenges.

Simbag MFI and SEDP MBA's response to Typhoon Kristine reflects the deep commitment to member welfare – demonstrating that the mission extends beyond financial services to fostering resilience and solidarity within the community during times of crisis.

4,185,150.00

CALAMITY ASSISTANCE

22,643

NO. OF MEMBERS



Pili SPO
November 6, 2024



Pio Duran SPO
November 7, 2024



Pili Branch, Balatan Extension Parish Outreach
November 7, 2024.



Ligao SPO
November 7, 2024



Libon SPO
November 8, 2024



Libmanan SPO
November 8, 2024

CALAMITY ASSISTANCE



Sipocot SPO
November 8, 2024



Manito SPO
November 14, 2024



Sorsogon SPO
November 13-14, 2024



Nabua SPO
November 14, 2024



Camalig SPO
November 14, 2024



Tabaco SPO
November 14, 2024



Malinao SPO
November 14, 2024



Polangui SPO
November 14, 2024



Bacacay 1&2 SPO
November 14, 2024

BOT, MANAGEMENT & STAFF TRAINING

SEDP MBA CONTINUES WITH BOARD OF TRUSTEES AND EMPLOYEE COMPETENCY DEVELOPMENT

Training is an essential aspect of any organization's growth and development. It helps employees and board members acquire new skills, learn about the latest trends in their respective fields, and improve their performance.

The Simbag sa Emerhensya asin Dagdag Paseguro Mutual Benefit Association Inc. (SEDP MBA) in partnership with Micro-insurance MBA Association of the Philippines Inc. (RIMANSI), IPG Training Institute for Professional Advancement, Globe Business Academy's Masterclass conducted several trainings for employees and Board of Trustees through Zoom Video Conferencing.

The SEDP MBA has facilitated 12 trainings and webinars and 2 recollections for staff and the Board of Trustees.



JANUARY 2024

2024 NATIONAL MICROINSURANCE FORUM

The SEDP MBA Board of Trustees, Management, Staff, and MBA Coordinators participated in the 2024 National Microinsurance Forum at The Manila Hotel with the theme "Sustainable & Inclusive Finance for Climate Resiliency."



The event focused on fostering sustainable digitalization in the microinsurance sector, addressing challenges and opportunities for growth, and strengthening community resiliency. Key discussions emphasized the importance of collaboration with regulators, leveraging public-private partnerships, and enhancing customer experience to build a more sustainable and inclusive microinsurance industry.

FEBRUARY 2024

SOCIAL MARKETING TRAINING OF TRAINERS

Last February 27-29, 2024 : The three-day Training of Trainers for the installation and replication of SEDP MBA's Social Marketing Program has successfully concluded, with 25 participants from the management teams of SEDP MBA, SEDP Inc., and SEDP MPC in attendance.

This training emphasized a synthesis of insights and action planning across several key areas, including: clarity and comprehension of content, participant engagement, depth and scope of information, relevance and real-world application, availability of learning resources, delivery techniques, and expected learning outcomes.



With this foundational training completed, SEDP will soon designate Local Consultants from among the participants. These consultants will be responsible for customizing and cascading the modules to SEDP members. The team is set to reconvene in April 2024 to finalize and roll out the member-focused learning tools—an important milestone in strengthening the association's social marketing efforts.



MARCH 2024

ONLINE INVESTMENT MARKET OUTLOOK BRIEFING

The Online Investment Market Outlook Briefing, a collaborative learning session with BPI Wealth, successfully concluded on March 4, 2024. The session featured Mr. Smith Chua, Chief Investment Officer, as the esteemed Resource Speaker.

A total of 97 participants from member and partner Mi-MBAs across the country joined the virtual event. The session offered valuable insights into the performance of the Philippine economy over the past year and its influence on the investment landscape. It also highlighted actionable investment opportunities available to the insurance sector, equipping participants with a clearer outlook for strategic decision-making moving forward.



APRIL 2024

ANNUAL STATEMENT WORKSHOP

The Annual Statement (AS) Workshop was held virtually via Zoom on April 16–17, bringing together participants from 19 partner Mi-MBAs and the Insurance Commission. The event aimed to support Mi-MBAs in the preparation and submission of their 2023 Annual Statement Reports.

On Day 1, the Insurance Commission provided reminders on submission guidelines and discussed updates to this year's AS worksheet.

Day 2 featured Ms. Judith Torres, MiMAP's Actuarial Officer, who shared tips for completing the worksheet. Participants also exchanged findings and recommendations from the previous year's reporting.

The workshop concluded with Ms. Mae Elizabeth Lungay, Consulting Actuary, addressing common issues encountered during the 2023 reserve valuations.

This workshop reaffirmed the collaborative effort to ensure accurate and timely AS reporting among Mi-MBAs.



MAY 2024

ICMIF Asia and Oceania Association (AOA) Members' Study Group Visit 2024

Board members and representatives from MiMAP (RIMANSI), along with officials from ASKI MBA, CARD MBA, CARE MBA, KMBA, and SEDP MBA, participated in the ICMIF Asia and Oceania Association (AOA) Members' Study Group Visit 2024, held on May 22–23.

The study tour took place in Tokyo, Japan, and was hosted by three Kyosai (cooperative insurance) organizations: Zenkyoren, Kokumin Kyosai Co-op, and CO-OP Kyosairen. These organizations, which serve farmers, workers, and consumers respectively, shared their best practices in disaster preparedness and response, contributions to the Sustainable Development Goals (SDGs), and initiatives to engage younger generations.

The visit provided AOA members, including various Mi-MBAs, a valuable opportunity to gain insights into the Kyosai model in Japan and to explore both the commonalities and unique approaches among the three host organizations.



JUNE 2024

CYBER SECURITY AWARENESS SEMINAR

In partnership with Graybox Security, the Microinsurance MBA Association of the Philippines, Inc. (RIMANSI) conducted a Cybersecurity Awareness Webinar on June 28, 2024, at 8:30 AM via Zoom Videoconferencing.

The session was attended by Ms. Kristine Joy Candidato, who gained valuable insights into key concepts of information security and data privacy. The webinar served as a strong foundation for understanding the critical role of cybersecurity in today's digital environment.



AUGUST 2024

MANAGEMENT FORUM 2024

Held from August 28 to 30, 2024 at the NSCC Plaza and Convention Center in Caoayan, Ilocos Sur, the Management Forum 2024 brought together key leaders and stakeholders from the Mutual Benefit Association (MBA) sector for a meaningful and enriching three-day event.



The forum focused on critical topics essential to the growth and sustainability of MBAs, including organizational performance, regulatory compliance, and risk management. Through in-depth discussions, experience-sharing, and collaborative sessions, the event aimed to strengthen the capacity of MBA leaders and management teams in navigating challenges and upholding best practices in service delivery.

This annual gathering served not only as a platform for learning and reflection but also as an opportunity to align on strategic goals that advance the mission of providing inclusive, member-focused financial protection. The Management Forum 2024 reaffirmed the sector's commitment to excellence, accountability, and resilience in service of its members and communities.

SEPTEMBER 2024

COMPLIANCE LEARNING CIRCLE: ON TIME, NO FINE!

Last September 24, a total of 98 participants from 17 Mi-MBAs joined the "Compliance Learning Circle: On Time, No Fine!" session held via Zoom. The event centered on essential topics related to regulatory compliance within the microinsurance sector.

Distinguished speakers Ms. Carol Musngi from the Insurance Commission and Ms. Jennifer Redublo from CARD MBA generously shared their insights and expertise. Ms. Musngi presented on the Enhanced Quarterly Reports on Selected Financial Statistics (EQRSFS), while Ms. Redublo discussed the Key Government Regulatory Authorities Compliance Requirements.



The session proved to be a valuable learning platform for participants, reinforcing the importance of timely and accurate reporting in meeting regulatory obligations.

OCTOBER 2024

RISK MANAGEMENT MINI SEMINAR

To enhance awareness and understanding of organizational risks, a Risk Management Mini Seminar was conducted for the staff and management of SEDP MBA. The session was facilitated by Ms. Riza Rabe, CPA, Internal Audit Officer of SEDP Simbag and a dedicated member of the SEDP MBA Board Risk Oversight Committee.

Held as part of the association's ongoing efforts to promote good governance and institutional resilience, the seminar focused on key risk areas that may affect daily operations, member services, and long-term sustainability. Ms. Rabe discussed essential principles of risk identification, assessment, mitigation, and monitoring, while also emphasizing the importance of internal controls and compliance.

The seminar provided practical insights and tools that participants can apply in their respective roles, encouraging a proactive approach to risk management across all levels of the organization. It also served as a platform to reinforce accountability, transparency, and strategic decision-making aligned with SEDP MBA's mission and vision.

This initiative reflects SEDP MBA's commitment to continuous learning and improvement, ensuring that its staff and leadership are equipped to navigate challenges and safeguard the interests of its members.



GOOD GOVERNANCE AND AMLA WORKSHOP

Empowering Change through Informed Governance

On Day 2 of MiMAP Good Governance Workshop, Fellows from the Institute of Corporate Directors Dr. Jhun Benedicto and Fr. Jovic Lobrigo, SEDP MBA Chairman of the Board focused on the fundamental practices of Corporate Governance within Mi-MBAs. Doc Jhun discussed the concepts and principles of Corporate Governance, while Fr. Jovic as an Mi-MBA Board Practitioner shared his expertise on the role of the Board in terms of policy making and strategy formulation.



Microinsurance MBA Claims Masterclass

The two-day Mi-MBA Claims Masterclass wrapped up successfully, gathering 27 participants from the management teams of 13 Microinsurance MBAs. The workshop provided an in-depth platform to evaluate and improve existing claims management systems, with the goal of achieving faster claims settlements—specifically the 1-3-5-day standard and exploring the 8/24-hour turnaround goal.

Key sessions explored vital aspects such as product design, claims KPIs, and strategic approaches for faster claims processing, including leveraging insurtech solutions. Participants also enhanced their competencies in interpreting medical terminologies, verifying civil documents, resolving disputes, and strengthening stakeholder engagement.

By the end of the masterclass, a network of Mi-MBA claims professionals was established—committed to upholding high standards and promoting continuous improvement and knowledge sharing in claims processing across the sector.



ICMIF BIENNIAL CONFERENCE

From November 13 to 15, 2024, 375 mutual and cooperative insurance leaders from 54 countries convened at the Hilton Buenos Aires, Argentina for a global dialogue focused on people, performance, and partnerships.

Representatives from Microinsurance MBAs and MiMAP (RIMANSI) joined the international gathering. Notably, Dr. Aris Alip and Mr. Lorenzo Chan, Jr. contributed to the partnership plenary by showcasing the unique joint venture between CARD MBA and Pioneer Insurance, which provides inclusive microinsurance coverage to millions of CARD members.

Conference discussions centered on strategic priorities designed to support business transformation and resilience, offering insight and inspiration to sector leaders. The event also served as a platform for ICMIF and AOA members to participate in their respective annual general meetings, further strengthening global collaboration in mutual and cooperative insurance.



MANAGEMENT AND STAFF TRAININGS/ WEBINARS ATTENDED

MS. ELLA GONZALO- GENERAL MANAGER-TRAINEE

TRAININGS	National	NO. OF HRS.
Microinsurance Forum 2024: "Sustainable & Inclusive Finance for Climate Resiliency"		8 hrs.
Staff Lenten Recollection		4 hrs.
Claims Management Masterclass Training Need Assessment		2 hrs.
2024 Management Forum		24 hrs.
Compliance Learning Circle: On Time, No Fine!		4 hrs.
Risk Management Mini Seminar		3 hrs.
Claims Management Masterclass		16 hrs.
Staff Team Building		19 hrs.
Staff Advent Recollection		4 hrs.

MS. JOSIE BELEN- FINANCE AND ADMIN OFFICER/ ALTERNATE COMPLIANCE OFFICER

TRAININGS	NO. OF HRS.
National Microinsurance Forum 2024: "Sustainable & Inclusive Finance for Climate Resiliency"	8 hrs.
Online Investment Briefing	4 hrs.
Staff Lenten Recollection	4 hrs.
Annual Statement Workshop	4 hrs.
2024 Management Forum	24 hrs.
Compliance Learning Circle: On Time, No Fine!	4 hrs.
Risk Management Mini Seminar	3 hrs.
Staff Team Building	19 hrs.
Staff Advent Recollection	4 hrs.

MS. MA. CHARMAINE TUBALINAL- CLAIMS PROCESSOR

TRAININGS	NO. OF HRS.
Staff Lenten Recollection	4 hrs.
Claims Management Masterclass Training Need Assessment	2 hrs.
Risk Management Mini Seminar	3 hrs.
Claims Management Masterclass	16 hrs.
Staff Team Building	19 hrs.
Staff Advent Recollection	4 hrs.

MS. NICA MADRONA- MANAGEMENT SUPPORT STAFF/ CORPORATE SECRETARY

TRAININGS	NO. OF HRS.
National Microinsurance Forum 2024: "Sustainable & Inclusive Finance for Climate Resiliency"	8 hrs.
Staff Lenten Recollection	4 hrs.
Claims Management Masterclass Training Need Assessment	2 hrs.
2024 Management Forum	24 hrs.
Compliance Learning Circle: On Time, No Fine!	4 hrs.
Risk Management Mini Seminar	3 hrs.
Claims Management Masterclass	16 hrs.
Staff Team Building	19 hrs.
Staff Advent Recollection	4 hrs.

MR. JASON BUBAN- BOOKKEEPER

TRAININGS	NO. OF HRS.
Staff Lenten Recollection	4 hrs.
IFRS-17	4 hrs.
Risk Management Mini Seminar	3 hrs.
Staff Team Building	19 hrs.
Staff Advent Recollection	4 hrs.

MR. ARJOHN APELLADO- BOOKKEEPER

TRAININGS	NO. OF HRS.
Staff Lenten Recollection Risk	4 hrs.
Management Mini Seminar Staff	3 hrs.
Team Building Staff Advent	19 hrs.
Recollection	4 hrs.

MS. FRANCIA BOBIER- CASHIER

TRAININGS	NO. OF HRS.
Staff Lenten Recollection Risk	4 hrs.
Management Mini Seminar Staff	3 hrs.
Team Building Staff Advent	19 hrs.
Recollection	4 hrs.

MS. JENNIE SAYSON- MBA STAFF COORDINATOR

TRAININGS	NO. OF HRS.
National Microinsurance Forum 2024: “Sustainable & Inclusive Finance for Climate Resiliency”	8 hrs.
Social Marketing Training “Training of Trainers”	24 hrs.
Staff Lenten Recollection	4 hrs.
Staff Team Building	19 hrs.
Staff Advent Recollection	4 hrs.

MS. KRISTINE JOY CANDIDATO- VIRTUAL CREATOR

TRAININGS	NO. OF HRS.
Basic Microfinance Training	44 hrs.
Staff Advent Recollection	4 hrs.

BOARD OF TRUSTEES TRAININGS/ WEBINARS ATTENDED**FR. JOSE VICTOR LOBRIGO- CHAIRPERSON**

TRAININGS	NO. OF HRS.
Good Governance and AMLA Workshop- Spokesperson	
ICMIF Foundation Group Study in Japan	16 hrs.
ICMIF Biennial Conference 2024	24 hrs.

MS. TERESITA GALANG- VICE CHAIRMAN

TRAININGS	NO. OF HRS.
Annual Conference Microfinance Council of the Philippines	16 hrs.
Online Investment Briefing	4 hrs.
2024 Management Forum	24 hrs.

FR. RAFAEL SAMBAJON-BOARD SECRETARY

TRAININGS	NO. OF HRS.
Annual Conference Microfinance Council of the Philippines	16 hrs.

MS. ROSANA BALLARBARE-TREASURER

TRAININGS	NO. OF HRS.
National Microinsurance Forum 2024: "Sustainable & Inclusive Finance for Climate Resiliency"	8 hrs.
Trainers Training on Annual Pastoral Planning	8 hrs.
Saligan- Paralegal Training Compendium Strengthening Civil Society Participation in Local Governance	24 hrs.
Entrepreneurial Training on Canva for Beginners	4 hrs.
ALTERPLAN-DRSSP Focused Group Discussion and Validation	4 hrs.
Violence Against Women	3 hrs.
BDRRMC Seminar	3 hrs.
Handa Workshop with SANTEH Foundation	6 hrs.
DTI- Sari -Sari Store Advancement Program Module 1- Tindahan Mo E-level Up Mo	4 hrs.
DTI-Module 2- E-level ang Online Marketing	4 hrs.
DTI-Module 3- E-level ang Puhunan	4 hrs.
DTI-Module 3- E-level and Paninda	4 hrs.
Community Managed Disaster Risk Reduction	6 hrs.
Saligan- Paralegal Legal Clinic and Refresher Course	16 hrs.
ALTERPLAN- Disaster Risk Sensitive Shelter Planning Stakeholders Conference	16 hrs.
Saligan- Paralegal Focused Group Discussion, Assessment and Planning	16 hrs.
Online Investment Briefing	4 hrs.

FR. REX PAUL ARJONA – INDEPENDENT TRUSTEE

TRAININGS	NO. OF HRS.
Annual Conference Microfinance Council of the Philippines	16 hrs.

MS. ROCHELLE APOON-MEMBER

TRAININGS	NO. OF HRS.
National Microinsurance Forum 2024: "Sustainable & Inclusive Finance for Climate Resiliency"	8 hrs.
Corn Expo East West	4 hrs.
Farm and Fisheries Clustering & Consolidation Program	4 hrs.
Department of Agriculture's Regional Office Conducted Interview to Corn farmers	4 hrs.
Orientation of Women's Planters	4 hrs.
City Agricultural KADIWA AGRI-Fair	4 hrs.

MS. AMALIA CLARIANES- MEMBER

TRAININGS	NO. OF HRS.
National Microinsurance Forum 2024: "Sustainable & Inclusive Finance for Climate Resiliency"	8 hrs.

MEDIA BRIEFING

RADIO VERITAS HOLDS MEDIA BRIEFING SPONSORED BY SEDP MBA TO HIGHLIGHT MEMBER PROGRAMS AND BENEFITS

Legazpi City – The SEDP Simbag and SEDP MBA conducted successful media briefings via Radio Veritas to shed light on its ongoing programs and the wide range of benefits available to its members. The event aimed to strengthen public awareness of the institution’s commitment to life protection of members and their families in unforeseen events especially during untimely death of member and/or his qualified dependents

The media briefing provided a platform for SEDP MBA leadership to engage with media partners, share success stories, and elaborate on key services offered to members. Representatives emphasized the institution’s mission to promote inclusive growth through financial security and solidarity among members.

During the briefing, SEDP MBA also discussed its innovative approaches to member support, including faster claims processing, benefits, and other value-added services from beneficiaries highlighted how these programs have positively impacted their lives, especially in times of need.

Radio Veritas, known for its commitment to faith-based journalism and community upliftment, played a key role in amplifying the message of hope and resilience embedded in SEDP MBA’s work.

The collaboration between SEDP MBA and Radio Veritas marks a significant step toward increasing transparency, engagement, and trust with the public and potential members.



POLICIES

RELATED PARTY TRANSACTIONS (RPT) BY THE TRUSTEES AND KEY EXECUTIVES

The directors and key executives shall be required to disclose their interest in transactions and any other conflict of interest in SEDP MBA.

SEDP MBA shall seek the assistance of a committee of independent trustees to review the materials and significant RPTs to determine whether they are in the best interest of SEDP MBA and their members.

SEDP MBA shall either/or forbid or ensure that loans to trustees are being conducted at arm's length and at market rates.

SUPPLIERS AND CONTRACTORS

The Association engages the assistance of suppliers and/or contractors to provide services that the association will need for its daily operations. As part of its value chain, the Association will monitor its engagements with suppliers and contractors to make sure that they practice good governance and protects the environment. The Association will only engage suppliers/contractors that meet these standards.

To ensure that engagements with suppliers/contractors will be impartial and transparent; the Association will conduct a bidding process where a minimum of three (3) suppliers shall submit their proposal and business profile to the management for background check and validation of proposal. Selected supplier/contractor shall be issued a legal contract/agreement which will be duly notarized to make the engagement binding.

The association shall appoint the General Manager/Finance Officer to lead the bidding and selection process. All decisions/selections shall be approved by the board.

WHISTLEBLOWER PROTECTION POLICY

Simbag sa Emerhensya asin Dagdag Paseguro Mutual Benefit Association Inc. (SEDP MBA) requires Board of Trustees, Management and Employees to observe high standards of service and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of SEDP MBA we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns internally so that SEDP MBA can address and correct inappropriate conduct and actions. It is the responsibility of all board members, officers, employees and volunteers to report concerns about violations of SEDP MBA's code of ethics or suspected violations of law or regulations that govern SEDP MBA's operations.

POLICIES

POLICY ON DIVIDENDS

SEDP MBA does not declare dividends for distribution to its members.

However, in line with Section 408 of Republic Act 10607, also known as the amended Insurance Code, all Mutual Benefit Associations (MBAs) in the Philippines—including Simbag sa Emerhensya asin Dagdag Pasiguro Mutual Benefit Association, Inc. (SEDP MBA Inc.)—are permitted to retain a free and unassigned surplus of up to 20% of their total liabilities. Any excess beyond this threshold must be used to fund programs and initiatives that benefit members, strengthen the capacities of both employees and members, support research and development for new products or services, and enhance the Association’s systems and operations.

These surplus funds may be distributed to members in the form of cash or in-kind benefits, subject to verification and approval by the Insurance Commission.

For the year 2024, based on a Board Resolution approved on August 15, 2024, the Board of Trustees authorized the allocation of ₱35,438,274.79 from the surplus funds to support the following programs and projects:

PARTICULARS	%RATE	AMOUNT
Members’ Benefit	70%	24,806,792.35
Members’ Education	10%	3,543,827.48
Capacity Building	10%	3,543,827.48
Acquisition of Systems and Equipment	5%	1,771,913.74
Research & Development Fund	5%	1,771,913.74
TOTAL	100%	35,438,274.79

These funds are intended to improve the well-being of our members and to strengthen the capacity of our organization to serve more effectively.

RISK MANAGEMENT

INSURANCE RISK

THE RISK ARISES WHEN ACTUAL CLAIMS AND BENEFIT PAYMENTS EXCEED THE CARRYING VALUE OF RECOGNIZED INSURANCE LIABILITIES. CONTRIBUTING FACTORS INCLUDE HIGHER-THAN-ANTICIPATED CLAIM FREQUENCY, INCREASED CLAIM SEVERITY, BENEFIT PAYMENTS SURPASSING INITIAL PROJECTIONS, AND ADVERSE DEVELOPMENTS IN LONG-TERM CLAIMS OVER TIME.

THE BOARD OF TRUSTEES' RESPONSIBILITIES INCLUDE:

- OVERSEE RISK IDENTIFICATION, ASSESSMENT, AND REPORTING.
- ENSURE ADEQUATE RESERVES FOR FUTURE CLAIMS.
- MONITOR CLAIMS MANAGEMENT TO CONTROL LOSSES AND PREVENT FRAUD.
- REVIEW REGULAR RISK REPORTS AND CONDUCT STRESS TESTS FOR WORST-CASE SCENARIOS.
- ENGAGE WITH EXTERNAL AUDITORS AND ACTUARIES FOR INDEPENDENT INSIGHTS.
- PROMOTE A RISK-AWARE CULTURE AND SUPPORT INVESTMENTS IN DATA AND TECHNOLOGY LIKE E-MUTUALS

MANAGEMENT'S RESPONSIBILITIES INCLUDE:

- ENABLE MIS TO PROVIDE UPDATED, ACCURATE AND RELIABLE DATA TO AID IN PRICING DECISIONS, MONITOR CLAIM PATTERNS, PROVIDE THE BEST ESTIMATE TO ACTUARY.

LIQUIDITY RISK

IT IS THE POSSIBILITY OF LOSSES TO AN INSTITUTION RESULTING FROM THE INABILITY TO MEET CURRENT CASH OBLIGATIONS IN A TIMELY AND COST-EFFICIENT MANNER.

THE BOARD OF TRUSTEES' RESPONSIBILITIES INCLUDE:

- OVERSEEING RISK IDENTIFICATION, ASSESSMENT, AND REPORTING.
- ENSURING ADEQUATE RESERVES FOR FUTURE CLAIMS.
- MONITORING CLAIMS MANAGEMENT TO CONTROL LOSSES AND PREVENT FRAUD.
- REVIEWING REGULAR RISK REPORTS AND CONDUCTING STRESS TESTS FOR WORST-CASE SCENARIOS.
- ENGAGING WITH EXTERNAL AUDITORS AND ACTUARIES FOR INDEPENDENT INSIGHTS.
- PROMOTING A RISK-AWARE CULTURE AND SUPPORTING INVESTMENTS IN DATA AND TECHNOLOGY (LIKE E-MUTUALS).

MANAGEMENT'S RESPONSIBILITIES INCLUDE:

- ENABLING MANAGEMENT INFORMATION SYSTEMS (MIS) TO PROVIDE UPDATED, ACCURATE, AND RELIABLE DATA TO AID IN PRICING DECISIONS, MONITOR CLAIM PATTERNS, AND PROVIDE THE BEST ESTIMATES TO ACTUARIES.

INVESTMENT PORTFOLIO RISK

IT IS THE POSSIBILITY OF LOSS DUE TO OVERLY AGGRESSIVE OR OVERLY CONSERVATIVE INVESTMENT STRATEGIES OF EXCESS LIQUIDITY THAT FAIL TO OPTIMIZE THE INSTITUTION'S INCOME GOALS AND LONG-TERM INVESTMENT STRATEGIES FOR FUTURE FINANCIAL SERVICES, RESERVES, OPERATING EXPENSES, ASSET PURCHASE OR OTHER PRODUCTIVE INVESTMENTS.

THE BOARD OF TRUSTEES' RESPONSIBILITIES INCLUDE:

- ESTABLISH AND REGULARLY REVIEW THE INVESTMENT POLICY STATEMENT (IPS)
- APPROVE ASSET ALLOCATION STRATEGIES THAT BALANCE RISK AND RETURN OBJECTIVES
- MONITOR INVESTMENT PERFORMANCE AGAINST BENCHMARKS AND RISK TOLERANCES
- ENSURE PROPER DIVERSIFICATION ACROSS ASSET CLASSES TO MITIGATE CONCENTRATION RISK
- OVERSEE LIQUIDITY MANAGEMENT TO MEET OPERATIONAL AND CLAIM PAYMENT NEEDS
- ASSESS MARKET CONDITION IMPACTS ON THE INVESTMENT PORTFOLIO
- ENSURE COMPLIANCE WITH REGULATORY REQUIREMENTS AND INTERNAL POLICIES
- RECEIVE REGULAR REPORTS ON PORTFOLIO COMPOSITION, PERFORMANCE, AND RISK METRICS
- CONSIDER ESG FACTORS AND THEIR POTENTIAL IMPACT ON LONG-TERM RETURNS
- MAINTAIN APPROPRIATE OVERSIGHT OF DERIVATIVES AND ALTERNATIVE INVESTMENTS

MANAGEMENT'S RESPONSIBILITIES INCLUDE:

- DIVERSIFICATION OF INVESTMENTS (TYPE, AMOUNT, TERM)

CREDIT RISK

RISK RELATING TO FINANCIAL LOSS RESULTING FROM THE INABILITY TO COLLECT ANTICIPATED INTEREST EARNINGS, OR ON CAPITAL RESULTING FROM LOAN DEFAULT.

THE BOARD OF TRUSTEES' RESPONSIBILITIES INCLUDE:

- APPROVE THE CREDIT RISK STRATEGY AND RISK APPETITE STATEMENT OF THE ORGANIZATION.
- MONITOR CREDIT RISK EXPOSURES AND ENSURE THAT ADEQUATE RISK MANAGEMENT SYSTEMS ARE IN APPROVE CREDIT RISK POLICIES, INCLUDING UNDERWRITING STANDARDS, CREDIT LIMITS, AND PORTFOLIO DIVERSIFICATION.
- PERIODICALLY REVIEW REPORTS ON CREDIT PERFORMANCE AND RISK CONCENTRATIONS.

MANAGEMENT'S RESPONSIBILITIES INCLUDE:

- IMPLEMENT A ROBUST CREDIT EVALUATION PROCESS FOR APPROVING LOANS OR CREDIT EXPOSURES.
- CONTINUOUSLY ASSESS CREDIT PORTFOLIOS FOR SIGNS OF DETERIORATION, AND TAKE CORRECTIVE ACTION AS NEEDED.
- IMPLEMENT STRATEGIES LIKE COLLATERAL REQUIREMENTS, CREDIT INSURANCE, OR PROVISIONING TO MINIMIZE CREDIT LOSSES.
- PROVIDE REGULAR REPORTS ON CREDIT RISK METRICS AND EXCEPTIONS TO THE BOARD.

LEGAL AND COMPLIANCE RISK

IT IS THE RISK OF FINANCIAL LOSSES AND NEGATIVE SOCIAL PERFORMANCE RELATED TO NON-COMPLIANCE WITH INTERNAL AND EXTERNAL REGULATIONS AND LAWS.

THE BOARD OF TRUSTEES' RESPONSIBILITIES INCLUDE:

- ENSURE THAT THE ORGANIZATION COMPLIES WITH ALL RELEVANT LAWS, REGULATIONS, AND INTERNAL POLICIES.
- REVIEW AND APPROVE COMPLIANCE-RELATED POLICIES AND FRAMEWORKS, INCLUDING ANTI-MONEY LAUNDERING, DATA PRIVACY, AND REGULATORY REPORTING.
- HOLD MANAGEMENT ACCOUNTABLE FOR MAINTAINING A CULTURE OF COMPLIANCE AND ETHICAL CONDUCT.
- REGULARLY RECEIVE REPORTS ON COMPLIANCE PERFORMANCE, BREACHES, AND LEGAL ISSUES.

MANAGEMENT'S RESPONSIBILITIES INCLUDE:

- DEVELOP AND IMPLEMENT POLICIES, PROCEDURES, AND CONTROLS TO MANAGE LEGAL AND COMPLIANCE RISKS.
- ENSURE REGULAR MONITORING OF COMPLIANCE ACTIVITIES AND REPORT BREACHES OR LEGAL ISSUES TO THE BOARD.
- CONDUCT ONGOING STAFF TRAINING ON REGULATORY REQUIREMENTS AND LEGAL OBLIGATIONS.
- ENGAGE WITH REGULATORS, AUDITORS, AND LEGAL ADVISERS AS NEEDED TO RESOLVE COMPLIANCE MATTERS.

FRAUD RISK

INSURANCE FRAUD COMMON FRAUDS INCLUDE "PADDING," OR INFLATING CLAIMS; MISREPRESENTING FACTS ON AN INSURANCE APPLICATION; SUBMITTING CLAIMS FOR INJURIES OR DAMAGE THAT NEVER OCCURRED; AND STAGING ACCIDENTS.

THE BOARD OF TRUSTEES' RESPONSIBILITIES INCLUDE:

- SET THE TONE AT THE TOP REGARDING ETHICAL BEHAVIOR AND ZERO TOLERANCE FOR FRAUD.
- APPROVE AND OVERSEE IMPLEMENTATION OF ANTI-FRAUD POLICIES AND WHISTLEBLOWER MECHANISMS.
- ENSURE INDEPENDENT AUDIT AND RISK COMMITTEES ARE FUNCTIONAL AND EFFECTIVE.
- MONITOR HIGH-LEVEL FRAUD INCIDENTS AND RESPONSE STRATEGIES.

MANAGEMENT'S RESPONSIBILITIES INCLUDE:

- IMPLEMENT AND ENFORCE INTERNAL CONTROLS TO PREVENT, DETECT, AND RESPOND TO FRAUD.
- CONDUCT FRAUD RISK ASSESSMENTS REGULARLY.
- TRAIN STAFF ON FRAUD AWARENESS AND ETHICAL BEHAVIOR.
- INVESTIGATE FRAUD INCIDENTS AND TAKE DISCIPLINARY OR LEGAL ACTION WHERE APPROPRIATE.

PROCESS RISK

IT IS THE RISK OF FINANCIAL LOSSES AND NEGATIVE SOCIAL PERFORMANCE RELATED TO FAILED INTERNAL BUSINESS PROCESSES WITHIN EVERY ASPECT OF THE BUSINESS. THIS CAN INCLUDE PRODUCT DESIGN FLAWS AND INTERNAL PROJECT FAILURES.

THE BOARD OF TRUSTEES' RESPONSIBILITIES INCLUDE:

- APPROVE OPERATIONAL RISK MANAGEMENT FRAMEWORKS.
- OVERSEE POLICIES THAT ENSURE BUSINESS PROCESSES ARE WELL-DOCUMENTED, CONTROLLED, AND REVIEWED.
- MONITOR KEY PERFORMANCE INDICATORS (KPIs) AND KEY RISK INDICATORS (KRIS) RELATED TO OPERATIONAL EFFICIENCY.

MANAGEMENT'S RESPONSIBILITIES INCLUDE:

- DEVELOP, DOCUMENT, AND MAINTAIN EFFICIENT BUSINESS PROCESSES.
- IDENTIFY AND ADDRESS PROCESS INEFFICIENCIES OR FAILURES.
- ESTABLISH CONTROL ACTIVITIES (E.G., APPROVALS, RECONCILIATIONS).
- USE TECHNOLOGY AND TRAINING TO STREAMLINE AND SAFEGUARD OPERATIONS.

APPOINTMENT OF EXTERNAL AUDITOR TO AUDIT THE 2024 FINANCIAL STATEMENT

The Board of Trustees on its Annual General Meeting appointed the QUILAB & GARSUTA, CPAs Cagayan de Oro - General Santos to be the External Auditor of SEDP MBA. Ms. Galang explained that it was the recommended external auditor of the Management because it has passed the requirement of Insurance Commission to conduct an audit to MBAs. Below is the Fees & Incidental Expenses proposed.

FEES AND INCIDENTAL EXPENSES

Professional Fees

For the services outlined above, we will bill you for our professional fees the amount in pesos of: EIGHTY-FIVE THOUSAND PESOS ONLY (P=85,000) exclusive of 12% input vat.

Out-of-Pocket Costs

As the usual practice in our profession, we will bill you for the out-of-pocket expenses we will incur in this engagement representing substantially the cost of transportation, board and lodging, communications and the reproduction of our reports to the Association. Our charges, which have been billed consistently during our previous engagements, would be guided by our existing policies as follows:

a) Food Expenses

An employee on official business outside of Cagayan de Oro City shall receive a fixed per diem for food expenses in the amount of SIX HUNDRED PESOS (P=600) per day for meals not provided by clients. In case of broken claims for meal allowance, an employee may claim TWO HUNDRED PESOS (P=200) each for breakfast, lunch and dinner. No receipts are required in liquidating meals per diem.

b) Lodging Expenses

Unless provided by client, employees on official business trips are required to secure safe and decent lodgings in their destinations. Lodging expenses are based on actual rates and must be liquidated with actual receipts using the Travel Liquidation Report.

c) Transportation

Employees on mission outside of the home base shall have their actual transportation expenses reimbursed based on actual receipts submitted.

d) Report Reproduction

We shall charge the Association with a fixed cost for report reproduction of SIX HUNDRED PESOS ONLY (P=600.00) per printed reports for the Board of Trustees and Management and reports to be submitted to the BIR, SEC and IC. We will be printing our reports based on the following allotments:

For BOD and management - 5
For SEC - 2
For IC - 2
For BIR - 3
Total 12

e) Other Costs

Other necessary costs that would be incurred (such as reproduction costs of audit-related documents, mailing, communication and others) would also be charged to you based on reimbursements basis.

TRANSPARENCY AND ACCOUNTABILITY

To better improve the services provided by SEDP MBA, the management is enthusiastic to hear and welcome any suggestions from the members and stakeholders. Further, if there are any inappropriate conduct or actions against the Code of Conduct and/or any violations to the policies that governs the SEDP MBA, members and stakeholders are encouraged to report such to the appropriate means of communications. The following means of communications are open during office hours from 8:00 AM to 5:00 PM Monday - Friday to attend to your concerns.

CONTACT US



CELLPHONE NUMBER

09171871373 (Globe)



EMAIL ADDRESS

sedp_mba@yahoo.com.ph
mba.gm@sedp.ph



WEBSITE

<https://www.sedpmba.com/contact/>



FACEBOOK

<https://www.facebook.com/sedpmbamicroinsurance/>



Financial Statements of

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

December 31, 2024 and 2023

And

Report of Independent Auditors



**QUILAB &
GARSUTA**

Certified Public Accountants

Contact Information

2F, Executive Centrum Building, J.R. Barja Street
Cagayan de Oro City, Philippines, 9000
(063) 88-856-4401, 0917-7121352
quilabgarsuta.com

Current Accreditations

BOA, BIR, SEC, BSP, IC
CDA, NEA, MISEREOR, KNH

CERTIFICATION BY EXTERNAL AUDITORS

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, 2024, we hereby certify:

- 1) That there were no weaknesses or breaches 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 8.1 of Circular Letter No. 2024-03 that came to our attention during the audit, e.g., (1) any material finding involving fraud or error; (2i) losses or potential losses aggregating 10% of consolidated assets of the Association; (3) significant doubt as to the ability of the Association to continue as a going concern; (4) material breach of IC rules and regulations, and (5) material internal control weaknesses; 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 Letter No. 2024-03, dated January 29, 2024.

Done this 26th day of April 2025 at Cagayan de Oro City, Philippines.

ANA MARIAE MICHELLE D. QUILAB-ARRABACA
Engagement Partner

SUBSCRIBED AND SWORN to before me this 26th day of April 2025 affiant exhibited to me her PRC Identification Number 0121076 valid until June 28, 2026.

NOTARY PUBLIC
Doc. No. 432
Page No. 1
Book No. 1
Series of 2025.

ATTY. MARILEN LEZADA-ROSABAL
Notary Public until December 31, 2026
Notarial Commission No. 2025-41
IBP No. 487549/Dec. 26, 2024
PTR Receipt No. 6077742A/Dec. 6, 2024
MCLE No. VIII-0014509/Rol/No. 53682
TIN 947-407-463

**AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**



Simbag sa Emerhensya asin Dagdag Paseguro
Mutual Benefit Association, Inc. (SEDPA MBA)
2nd Floor SEDCen Bldg. Block 7, Landco Business Park,
Legazpi City, Philippines
Contact #: 09171871373
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 (SEDPA MBA), Inc. is responsible for the preparation and fair presentation of its financial statements for the years ended December 31, 2024 and 2023, in accordance with Philippine Financial Reporting Standards (PFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

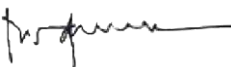
The Board of Trustees reviews and approves the financial statements and submits the same to the members of the Association.

Quilab & Garsuta, CPAs, the independent auditors appointed by the Board of Trustees for the periods December 31, 2024 and 2023, have audited the financial statements of the Association in accordance with Philippine Standards on Auditing (PSAs), and in their reports to the Board of Trustees and members, have expressed their opinion on the fairness of presentation upon completion of such audits.

April 25, 2025, Legazpi City, Albay, Philippines.


TERESITA Q. GALANG
OIC-Vice-President


ELLA S. GONZALO
MBA Manager


ROSANA BALLARBARE
Treasurer

REPORT OF INDEPENDENT AUDITORS

Contact Information

2F, Executive Centrum Building, J.R. Borja Street
Cagayan de Oro City, Philippines, 9000
(063) 88-856-4401, 0917-7121352
quilabgarsuta.com

Current Accreditations

BOA, BIR, SEC, BSP, IC
CDA, NEA, MISEREOR, KNH

The Board of Trustees and Members of
**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 financial statements of Simbag sa Emerhensya Asin Dagdag Paseguro Mutual Benefit Association (SEDP MBA), Inc. which comprise the statements of financial position as at December 31, 2024 and 2023, the statements of profit or loss and other comprehensive income, statements of changes in fund balances and statements of cash flows for the years then ended, and notes to financial statements comprising of a summary of material accounting policy information and other explanatory notes, collectively referred to as 'financial statements.'

In our opinion, the accompanying financial statements present fairly, in all materials respects, the financial position of Simbag sa Emerhensya Asin Dagdag Paseguro Mutual Benefit Association (SEDP MBA), Inc. as of December 31, 2024 and 2023 and of its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

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

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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, licenses and fees in Note 26 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements, taken as a whole.

QUILAB & GARSUTA, CPAs

By:



ANA MARIAE MICHELLE C. QUILAB-ARRABACA

Partner

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TIN No. 948-844-710

CDA CEA No. 1883-SP, 2024-2029

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

BIR 16-007506-000-2022, 2022-2024

121076-SEC Group B, 2020-2024

121076-BSP Group B, 2020-2024

121076-IC Group A, 2020-2024

PTR No. 6133948 A

January 2, 2025

Cagayan de Oro City

April 25, 2025

Cagayan de Oro City, Philippines

STATEMENTS OF FINANCIAL POSITION

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

December 31,	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	P198,143,202	P157,304,146
Trade and other receivables (Note 7)	3,479,786	1,217,748
Investments in debt and equity securities (Note 6)	–	52,344,559
Other assets (Note 8)	41,910	197,679
Total Current Assets	201,664,898	211,064,132
Non-Current Assets		
Investments in debt and equity securities (Note 6)	289,866,670	231,464,986
Furniture, fixtures and office equipment – net (Note 9)	605,319	455,022
Total Non-Current Assets	290,471,989	231,920,008
	P492,136,887	P442,984,140
LIABILITIES AND FUND BALANCES		
Current Liabilities		
Trade and other payables (Note 10)	P13,418,124	P9,414,286
Insurance contract liabilities (Note 11)	1,772,741	1,302,514
Total Current Liabilities	15,190,865	10,716,800
Non-Current Liabilities		
Aggregate reserves for unexpired risks (Note 12)	262,265,969	237,110,657
Retirement benefit obligation – net (Note 13)	2,173,065	(357,358)
Total Non-Current Liabilities	264,439,034	236,753,299
Total Liabilities	279,629,899	247,470,099
Fund Balances		
Guaranty Fund (Note 14)	50,929,091	45,846,042
Special Funds (Note 15)	82,465,401	57,113,006
General Fund (Note 16)	74,769,756	89,124,292
Revaluation reserve on investments at FVTOCI (Note 6)	4,038,395	3,205,831
Remeasurement gain on defined benefit plan (Note 13)	304,345	224,870
Total Fund Balances	212,506,988	195,514,041
	P492,136,887	P442,984,140

See Note to Financial Statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

<i>Years Ended December 31,</i>	2024	2023
REVENUE		
Gross members' premium contributions <i>(Note 17)</i>	P101,660,988	P94,734,947
Less contributions to Guaranty Fund <i>(Note 14)</i>	5,083,049	4,736,747
Net members' premium contributions	96,577,939	89,998,200
Interest and investment income <i>(Notes 5 and 6)</i>	16,999,951	13,453,140
Membership fees <i>(Note 17)</i>	2,215,726	2,019,355
Other income	23,140	813,814
Total Revenue	115,816,756	106,284,509
BENEFITS AND OPERATING EXPENSES		
Benefits and claims paid to members <i>(Notes 11 and 17)</i>	50,093,986	42,149,505
Increase in aggregate reserves for unexpired risks <i>(Note 12)</i>	25,155,312	24,133,235
Collection costs <i>(Notes 10)</i>	8,139,600	7,139,131
Members' other benefits	1,309,950	2,357,406
Membership enrollment and marketing expenses	1,113,906	557,435
Research and development	91,879	50,000
Total Members' Benefits and Expenses	85,904,633	76,386,712
Compensation and employees' benefits <i>(Note 18)</i>	5,679,363	3,908,499
General and administrative expenses <i>(Note 19)</i>	2,907,571	2,452,009
Depreciation <i>(Note 9)</i>	241,450	229,898
Total Benefits and Operating Expenses	94,733,017	82,977,118
NET SUPLUS FOR THE YEAR	21,083,739	23,307,391
OTHER COMPREHENSIVE INCOME		
<i>Item that may not be subsequently reclassified to profit or loss:</i>		
Changes in value of investments at FVTOCI <i>(Note 6)</i>	832,564	881,858
Changes in value of defined benefit plan <i>(Note 13)</i>	79,475	53,353
Net	912,039	935,211
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	P21,995,778	P24,242,602
<i>See Notes to Financial Statements.</i>		

STATEMENTS OF CHANGES IN FUND BALANCES

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

December 31,	2024	2023
GUARANTY FUND <i>(Note 14)</i>		
Opening balances	P45,846,042	P41,109,295
Contributions from members during the year	5,083,049	4,736,747
Closing balances	50,929,091	45,846,042
APPROPRIATED SPECIAL FUNDS <i>(Note 15)</i>		
Opening balances	57,113,006	58,912,359
Additional funding during the year	35,438,275	–
Disbursements during the year	(10,085,880)	(1,799,353)
Closing balances	82,465,401	57,113,006
GENERAL FUND <i>(Note 16)</i>		
Opening balances	89,124,292	65,816,901
Net surplus for the year	21,083,739	23,307,391
Appropriations to Special Funds	(35,438,275)	–
Closing balances	74,769,756	89,124,292
REVALUATION RESERVE ON INVESTMENTS AT FVTOCI		
Opening balances	3,205,831	2,323,973
Changes in value of investments in equity securities at FVTOCI <i>(Note 6)</i>	832,564	881,858
Closing balances	4,038,395	3,205,831
REMEASUREMENT GAIN ON DEFINED BENEFIT PLAN <i>(Note 13)</i>		
Opening balances	224,870	171,517
Actuarial and remeasurement gain	79,475	53,353
Closing balances	304,345	224,870
	P212,506,988	P195,514,041

See Notes to Financial Statements

STATEMENTS OF CASH FLOWS

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

<i>Years Ended December 31,</i>	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net surplus for the year	P21,083,739	P23,307,391
Add (deduct) adjustments for:		
Increase in aggregate reserves for unexpired risks <i>(Note 12)</i>	25,155,312	24,133,235
Provision for retirement benefits <i>(Note 13)</i>	1,160,050	173,003
Depreciation <i>(Note 9)</i>	241,450	229,898
Interest and investments income <i>(Notes 5 and 6)</i>	(16,999,951)	(13,453,140)
Operating surplus before changes in working capital	30,640,600	34,390,387
Add (deduct) changes in working capital, excluding cash:		
Decrease (increase) in:		
Trade and other receivables <i>(Note 7)</i>	(812,190)	26,398,728
Other current assets <i>(Note 8)</i>	155,769	(162,932)
Increase (decrease) in:		
Trade and other payables <i>(Note 10)</i>	4,003,838	(9,897,938)
Insurance contract liabilities <i>(Note 11)</i>	470,227	75,831
Net Cash Provided from Operating Activities	34,458,244	50,804,076
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest and investment income <i>(Notes 5 and 6)</i>	16,999,951	13,453,140
Decrease (increase) in investments in debt and equity securities <i>(Note 6)</i>	(5,224,561)	26,387,079
Additions to furniture, fixtures and office equipment <i>(Note 9)</i>	(391,747)	(150,130)
Net Cash Provided from Investing Activities	11,383,643	39,690,089
CASH FLOWS FOR FINANCING ACTIVITIES		
Increase in Guaranty Fund <i>(Note 14)</i>	5,083,049	4,736,747
Decrease in special funds <i>(Note 15)</i>	(10,085,880)	(1,799,353)
Retirement payments <i>(Note 13)</i>	–	(402,510)
Net Cash (Used for) Provided from Financing Activities	(5,002,831)	2,534,884
NET INCREASE IN CASH AND CASH EQUIVALENTS	40,839,056	93,029,049
OPENING CASH AND CASH EQUIVALENTS	157,304,146	64,275,097
CLOSING CASH AND CASH EQUIVALENTS <i>(Note 5)</i>	P198,143,202	P157,304,146

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, 2024 and 2023

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.'

The Association 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. It is governed by its Board of Trustees, which receives no compensation. It devotes all its income for the purposes enumerated in its Articles of Incorporation. It holds office at the 3rd Floor of The Chancery Building, Cathedral Compound, Albay District, Legazpi City, Albay, free of charge, but it shares on the costs of monthly utilities of the building.

As at December 31, 2024, the Association has a total membership of 91,423.

Tax Exemptions

The Association is a holder of Certificate of Tax Exemption No. S30 No. 032 – 22– RR–10-RDO067 which entitles it with tax exemption for three (3) years from August 23, 2022 to August 23, 2026.

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

Note 2

Statement of Compliance with Philippine Financial Reporting Standards (PFRSs)

Statement of Compliance

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

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

Because the Association is a supervised entity by the Insurance Commission (IC), it also abides by the regulations of the Commission particularly those that are set forth under Section 189 of The Amended Insurance Code and with IC Circular Letter No. 2014-41 *Standard Chart of Accounts (SCA) for MBAs*, and all applicable IC Circular Letters and accounting requirements. These regulations and requirements are substantially compliant with PFRSs and the Revised SRC Rule 68 (2019).

New and Amended IFRS Accounting Standards that are Effective for the Current Year

In the current year, the Association has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the FSRSC (as Philippine Financial Reporting Standards) that are mandatorily effective for an accounting period that begins on or after January 1, 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to PAS/IAS 7 Statement of Cash Flows and

PFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements

The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The amendments contain specific transition provisions for the first annual reporting period in which the Association applies the amendments. Under the transitional provisions an entity is not required to disclose:

- Comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments
- The information otherwise required by PAS/IAS 7:44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.

The Association has no supplier finance arrangements.

Amendments to PAS/IAS 1 Classification of Liabilities as Current or Non-current

The Association has adopted the amendments to PAS/IAS 1, published in January 2020, for the first time in the current year. The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to PAS/IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

The Association has adopted the amendments to PAS/IAS 1, published in November 2022, for the first time in the current year. The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However,

if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The Association has no non-current liabilities with covenants.

Amendments to PFRS 16 Leases—Lease Liability in a Sale and Leaseback

The Association has adopted the amendments to PFRS 16 for the first time in the current year. The amendments to PFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in PFRS 15 *Revenue from Contracts with Customers* to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognized by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in PFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with PAS/IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied PFRS 16.

New and Revised IFRS Accounting Standards in Issue But Not Yet Effective

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

- PFRS 17 *Insurance Contracts* (including the June 2020 and December 2021 amendments to IFRS 17)
- Amendments to PAS 7 *Statement of Cash Flows* and PFRS 7 *Financial Instruments: Disclosures* titled *Supplier Finance Arrangements*
- Amendments to IAS 21 *Lack of Exchangeability*
- IFRS 18 *Presentation and Disclosures in Financial Statements*
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

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

IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 *Insurance Contracts*. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

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

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

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

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

The Association has determined that its existing products extended to its members has significant insurance risk and therefore meets the definition of an insurance contract. Presently, these are accounted for under PFRS 4, which will be superseded by PFRS 17 beginning January 1, 2025. The IC, however, issued Circular Letter No. 2024-19 on October 17, 2024 moving the adoption period of PFRS 17 for all MBAs to starting January 1, 2030, in consideration of the transition by the MBA industry of its reserving methodology from Net Premium Valuation to Gross Premium Valuation. The Association is working closely with its actuaries and the MBA industry for guidance and understanding in the implementation of the provision of PFRS 17.

Amendments to PAS 7 Statement of Cash Flows and

PFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements

The FSRSC has adopted the amendments to IAS 7 and IFRS 7 on June 19, 2023, to be effective beginning January 1, 2025. The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The amendments contain specific transition provisions for the first annual reporting period in which the Association applies the amendments. Under the transitional provisions an entity is not required to disclose:

- Comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments

- The information otherwise required by PAS 7:44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.

The Association has no supplier finance arrangements.

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

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not. The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include: (a) a spot exchange rate for a purpose other than that for which an entity assesses exchangeability, and (b) the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments add a new appendix as an integral part of IAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying IAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented.

In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

The Board of Directors of the Association anticipates that the application of these amendments may not have any impact on the Association's financial statements in future periods.

IFRS 18 Presentation and Disclosures in Financial Statements

The FSRSC has adopted PFRS 18 on October 10, 2024, to be effective beginning January 1, 2027. PFRS 18 replaces PAS 1, carrying forward many of the requirements in PAS 1 unchanged and complementing them with new requirements. In addition, some PAS 1 paragraphs have been moved to PAS 8 and PFRS 7. Furthermore, minor amendments were made to PAS 7 and PAS 33 *Earnings per Share*.

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

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

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

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply PFRS 19 if, at the end of the reporting period: (1) it is a subsidiary (this includes an intermediate parent), (2) it does not have public accountability, and (3) its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with PFRS Accounting Standards.

A subsidiary has public accountability if: (1) its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or (2) it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

The Board of Directors of the Association does not anticipate that IFRS 19 (to become PFRS 19 in the Philippines) will be applicable to the financial statements of the Association.

Note 3

Summary of Material Accounting Policy Information

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

Going Concern

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

Basis of Preparation

The financial statements have been prepared using a historical cost basis, except for financial instruments that are measured at fair values at the end of the year, as explained in the following accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

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

Fair Value Measurement

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

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

The Association uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the

use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

Financial instruments

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

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

Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of Financial Assets

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

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

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

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

(i) Amortized Cost and Effective Interest Method

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

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

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

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

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

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

The Association's financial assets at amortized costs includes cash and cash equivalents, trade and other receivables and investments in debt and equity securities.

Cash and Cash Equivalents

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

Trade and Other Receivables

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

Trade and other receivables are subsequently measured at amortized cost as the business model is to collect contractual cash flows and the debt meets the SPPI criterion.

– Investments in Debt and Equity Securities

The investments are 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. The investments consist substantially of government debt securities.

(ii) Debt Instruments Classified as at FVTOCI

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

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

(iii) Equity Instruments Designated as at FVTOCI

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

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

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

The Association designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition (see Note 5).

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

(iv) Financial Assets at FVTPL

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

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

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

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

Impairment of Financial Assets

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

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

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

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

(i) Significant Increase in Credit Risk

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

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

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

internal credit rating;

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

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

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

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

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

(ii) Definition of Default

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

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

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-

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

(iv) Write-Off Policy

The Association writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Association's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

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

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

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

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

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

The Association recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of Financial Assets

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

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

Financial Liabilities and Equity

Classification as Debt or Equity

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

Equity Instruments

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

Financial Liabilities

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

Financial Liabilities at FVTPL

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

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

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

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

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

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

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

Financial Liabilities Measured Subsequently at Amortized Cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of Financial Liabilities

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

When the Association exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Association accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognized in profit or loss as the modification gain or loss within other gains and losses.

Furniture, Fixtures and Office Equipment

Furniture, fixtures and office equipment are stated at cost less accumulated depreciation. Such a 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.

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 as follows:

- (1) IT equipment, 5 years; and
- (2) Furniture, fixtures and office equipment, 5 years.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The carrying values of the 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 the 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.

Prepaid Expenses

A prepaid expense is an expenditure paid for in one accounting period, but for which the underlying asset will not be consumed until a future period. Expenditures are recorded as prepaid expenses in order to match their recognition more closely as expenses with the periods in which they are actually consumed.

Impairment of Non-Financial Assets

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

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

Actuarial Policies

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

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

Revenue and Cost Recognition

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

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

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

The Association recognizes revenue as follows:

(1) Premium Contributions

This represents considerations given by the member in exchange for the promises of the MBA to pay a stipulated sum in the event of a loss covered under the basic benefits indicated in the Internal Rules and Regulations (IRR) of the MBA and/or membership certificates. Revenue from insurance products is recognized under PFRS 4 *Insurance Contracts*, which defines an insurance contract as a 'contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.' PFRS 4 temporarily exempts the Association from some requirements of other PFRSs until the efficacy of PFRS 17, beginning January 1, 2025.

Under the provisions of PFRS 4, the Association recognizes premium contributions as earned when collected with corresponding allocation as approved by the Insurance Commission (IC). The proportion of the premiums collected pertaining to periods after 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.

The members' gross premium 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.

The Association collects its premiums/contributions of members through SEDP-Simbag sa Pag-Asenso, Inc, an affiliate, with a certain commission (collection cost).

(2) Investments Income

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

(3) Non-Insurance Revenues

The Association recognizes non-insurance revenues in accordance with PFRS 15 *Revenue from*

Contracts with Customers at an amount that reflects the consideration to which the Association is expected to be entitled in exchange for transferring goods or services to a customer.

For each contract with a customer, the Association:

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

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

The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognized as deferred revenue in the form of a separate refund liability.

(4) *Cost and Expenses*

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

Insurance-related costs are accounted as follows:

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

(5) *Grants and Donations*

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

Compensation and Employees Benefits Expense

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

(b) an expense when the Association consumes the economic benefit arising from the service provided by an employee in exchange for employee benefits.

The following represent the accounting followed by the Association for all types of employee benefits, except share-based payment, to which there is none.

- Short-Term Employee Benefits

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

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

- Post-Employment Benefit Plans

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

The Association has less than ten (10) regular employees and opted to accrue its retirement benefit obligation using the provisions of the *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*. Accrual approach is applied by calculating the expected liability as at reporting date using the employees' current compensation and number of years in service. Under this simplified method, the Corporation ignores 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 considers its retirement benefit obligations at this time as immaterial when considered its overall liabilities.

- Termination Benefits

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

Leases – The Association as Lessee

The Association assesses whether a contract is or contains a lease, at inception of the contract. The Association recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these low value leases, the Association recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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

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

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

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

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

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

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

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

Whenever the Association incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of

the lease, a provision is recognized and measured under PAS/IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

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

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

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

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

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

Leases – The Association as Lessor

The Association is not a lessor of properties.

Related Party Relationships and Transactions

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

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

Contingencies

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

Provisions

Provisions are recognized when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that the Association will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the

consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Events After Reporting Date

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

Note 4

Significant Critical Accounting Judgment and Key Sources of Estimation Uncertainty

In applying the Association's accounting policies, which are described in Note 3 *Summary of Material Accounting Policy Information*, the management of the Association are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Going concern

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

Critical Judgements in Applying the Association's Accounting Policies

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

Business Model Assessment

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

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

Significant Increase in Credit Risk

Expected credit losses (ECL) are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. PFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Association takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Key Sources of Estimation Uncertainty

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

Calculation of Loss Allowance

When measuring ECL the Association uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Fair Value Measurements and Valuation Processes

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

Estimating Useful Lives of Furniture, Fixtures and Office Equipment

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

Impairment of Non-Financial Assets

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

Retirement Benefits

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

Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition and disclosure of provision and disclosure of contingencies are discussed in Note 3.

Note 5

Cash and Cash Equivalents

This account is composed of the following:

<i>December 31,</i>	2024	2023
Cash in banks	P42,205,387	P27,115,069
Cash equivalents	155,903,895	130,159,077
Revolving fund	33,920	30,000
	P198,143,202	P157,304,146

Cash in banks and cash equivalents earn interest at the prevailing market rates. The effective interest rate on cash in banks and cash equivalents ranges from 0.0625% to 5.875%, maturing in 30 days to 360 days. Total interest income earned from cash in banks and cash equivalents amounted to P6,260,899 in 2024 and P2,611,112 in 2023. The interest income are recorded net of the applicable withholding (final) taxes.

Note 6

Investments in Debt and Equity Securities

This account consists of the following investments and their purposes:

<i>December 31,</i>	2024	2023
Investments in debt securities at amortized cost	P267,231,749	P262,120,789
Investments in equity securities at FVTPL	528,396	504,985
Investments in equity securities at FVTOCI	22,106,525	21,183,771
Total investments	289,866,670	283,809,545
Less presented under current assets	–	52,344,559
Presented Under Non-Current Assets	P289,866,670	P231,464,986

The Association earned interest income from the investments amounting to P10,739,052 in 2024 and P10,842,028 in 2023. The interest income are recorded net of the applicable withholding (final) taxes.

Investment in Debt Securities Accounted at Amortized Cost

These investments were acquired through the following banks:

<i>December 31,</i>	2024	2023
<u>Treasury Bills</u>		
Bank of the Philippine Islands (BPI)	P–	P52,344,559
<u>Retail Treasury Bonds</u>		
Metropolitan Bank and Trust Company (MBTC)	60,879,514	20,870,529
Philippine National Bank (PNB)	46,000,000	49,000,000
Banco de Oro (BDO)	16,809,504	16,729,272
Bank of the Philippine Islands (BPI)	10,000,000	10,000,000
Sub-Total	133,689,018	96,599,801
<u>Fixed Rate Treasury Notes (FXTN)</u>		
Metropolitan Bank and Trust Company (MBTC)	10,506,432	20,507,904
Bank of the Philippine Islands (BPI)	10,059,899	10,078,525
Sub-Total	20,566,331	30,586,429

(Carried Forward.)

(Brought Forward.)

December 31,	2024	2023
<u>Corporate Bonds</u>		
Philippine National Bank (PNB)	38,000,000	43,000,000
Metropolitan Bank and Trust Company (MBTC)	30,000,000	10,000,000
Bank of the Philippine Islands (BPI)	10,000,000	10,000,000
Rizal Commercial & Banking Corporation (RCBC)	5,000,000	5,000,000
Banco de Oro (BDO)	2,490,000	2,490,000
Sub-Total	85,490,000	70,490,000
<u>Perpetual Preferred Shares</u>		
Banco de Oro (BDO)	5,756,400	5,850,000
Philippine National Bank (PNB)	1,230,000	1,250,000
Sub-Total	6,986,400	7,100,000
<u>LTNCDs</u>		
Metropolitan Bank and Trust Company (MBTC)	–	5,000,000
<u>Long-Term Time Deposits – Restricted</u>		
Camalig Bank	20,000,000	–
Agribank	500,000	–
Sub-Total	20,500,000	5,000,000
Total	P267,231,749	P262,120,789

The following are the details of the investments:

– Treasury Bills

In 2023, the treasury bills represent five (5) short-term, zero-coupon investments in quoted government debt securities which are issued at a discount on their face value. The treasury bills purchased through Bank of the Philippine Islands (BPI) with interest rates ranging at 5.25% and 6.30% and will mature on March 6, 2024, March 20, 2024, May 22, 2024, June 5, 2024 and October 2, 2024. There are no treasury bills as at December 31, 2024.

The roll forward analysis of this account is as follows:

December 31,	2024	2023
Face value	P–	P53,000,000
Net discount	–	(655,441)
Carrying Amount	P–	P52,344,559

– Retail Treasury Bonds

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

- The seven (7) retail treasury bonds purchased through MBTC amounted to P66,110,000, have coupon rates ranging from 4.2625% and 6.50% that will mature between 2027 and 2033;
- The two (2) retail treasury bonds purchased through PNB amounted to P49,000,000, have coupon rates at 4.625% and 6.25% that will mature on the following dates: June 2, 2027 and March 7, 2028;
- The two (2) retail treasury bonds purchased through BDO P17,000,000. have coupon rates at 3.50% and 6.15% that will mature on September 20, 2026 and June 2, 2027, respectively; and

- d) The retail treasury bonds purchased through BPI amounted to P10,000,000, have coupon rate at 4.87% and 6.00% that will mature on March 4, 2027.

The roll-forward analysis of the retail treasury bonds is as follows:

<i>December 31,</i>	2024	2023
Face value	P133,610,000	P96,610,000
Net discount/premium	79,018	(10,199)
Carrying Amount	P133,689,018	P96,599,801

Of the total Retail Treasury Bonds, the investments in PNB, BPI and MBTC, totaling P36,000,000 in 2024 and P59,200,000 in 2023, are restricted investments as these are investments intended for funding the Guaranty Fund requirements by the Insurance Commission (IC) that need to be maintained by the Association (see Note 14). These investments have been supported with a Deed of Assignment with Special Power of Attorney. The effective interest rate on these deposits ranges from 6.25%, maturing in 3 years from issuance.

– *Fixed Rate Treasury Notes (FXTN)*

These are medium to long-term negotiable and transferable debt instruments of the National Government issued by the Bureau of Treasury. Generally, these notes pay a higher rate of return than time deposits with a similar tenor and offer semi-annual interest income throughout the tenor if held until maturity. The FXTN purchased through BPI amounted to P10,059,899 will mature on March 22, 2028 with coupon rate at 6% which has a face value of P0 million. The FXTN purchased through Metrobank amounted to P10,507,904, will mature on September 7, 2026 and May 19, 2029 with coupon rate at 6.50%, which has the face value of P20.5 million, with net premiums of P7,904 as at December 31, 2024. Of the total Fixed Rate Treasury Notes (FXTN), the investment in MBTC, totaling P10,506,432 in 2024 and P10,507,904 in 2023.

– *Corporate Bonds*

Corporate bonds are debt securities issued by publicly held corporations to raise money for expansion or other business needs. The interest coupons of corporate bonds are either paid quarterly or semi-annually with rates ranging from 3.8915% to 6.75%, maturing in 5 years to 10 years from issuance.

– *Perpetual Preferred Shares*

Preferred shares have no maturity date and pays a fixed dividend upon issue, usually declared and paid quarterly, as long as it remains outstanding. Shareholders of perpetuals do not have voting rights and the issuers of perpetual preferred stock can typically redeem the shares.

The preferred shares purchased through PNB and BDO have an optional redemption after 5 years of investment. Dividend interest rates of 4.8124% and 6.322% payable quarterly.

– *LTNCDs*

Long-Term Negotiable Certificate of Deposits (LTNCDs) are offered by banks to investors looking for a relatively safe investment, but with higher interest rates than regular savings accounts or short-term time deposits. LTNCDs can be sold in the secondary market, even before maturity date. The interest coupons of LTNCDs are paid quarterly with rates ranging from 3.75% to 3.875%, maturing in 5 years to 7 years from issuance.

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

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

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

This consists of Unit Investment Trust Fund (UITF) investment in BPI's Bayanihan Balanced Fund, initially purchased at P18,000,000, and the fair value of the investment at the end of 2024 amounted P22,106,525. The increase in value of the investment during the year, amounting to P922,754, was recorded in the other comprehensive income for the year.

Analyses of Impairment in Fair Values of the Investments

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

Note 7

Trade and Other Receivables

This account consists of the following:

<i>December 31,</i>	2024	2023
Accrued interest income	P1,829,051	P1,304,608
Receivable from Micro Finance, Inc. (transfer of retirement liability)	1,449,848	–
Reclassified from a non-moving bank account	162,915	–
Advances to officers and employees subject for liquidation	76,563	16,634
Other receivables	64,903	–
Total	3,583,280	1,321,242
Less allowance for expected credit losses (ECL)	103,494	103,494
Net	3,479,786	1,217,748
Less presented as under current assets	–	–
Presented as non-current assets	P3,479,786	P1,217,748

Allowance for Expected Credit Losses (ECL)

The receivables are provided with 12-month ECL at 1% of principal for current 30 days and 34% for past due less than one year. Accounts past due for over 1 year have been provided with lifetime ECL at 100%.

A reconciliation of the allowance for expected credit losses during the period is presented as follows:

<i>December 31,</i>	2024	2023
Opening balances	P103,494	P103,494
Provision for impairment losses for the year charged to operations	–	–
Closing balances	P103,494	P103,494

No ECL was provided in 2024 and 2023 as the existing allowance already covers the required ECL during the year.

Management believes the remaining receivables were not impaired at the end of 2024.

Note 8

Other Current Assets

This account consists of unused certificates of insurance.

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

Note 9

Furniture, Fixtures and Office Equipment – At Cost

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

<i>December 31,</i>	2024	2023
IT equipment	P1,904,651	P1,517,494
Furniture, fixtures and office equipment	266,644	262,054
Total	2,171,295	1,779,548
Less accumulated depreciation	1,565,976	1,324,526
Net	P605,319	P455,022

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.

Reconciliation of the Movements of the Accounts

<i>December 31, 2024</i>	<i>Opening Balances</i>	<i>Additions</i>	<i>Retirement</i>	<i>Closing Balances</i>
<u>Cost</u>				
IT equipment	P1,517,494	P387,157	P–	P1,904,651
Furniture, fixtures and office eqpmnt	262,054	4,590	–	266,644
Total	1,779,548	391,747	–	2,171,295
<u>Less accumulated depreciation</u>				
IT equipment	1,144,759	210,343	–	1,355,102
Furniture, fixtures and office eqpmnt	179,767	31,107	–	210,874
Total	1,324,526	241,450	–	1,565,976
Net Book Value	P455,022	P150,297	P–	P605,319
<i>December 31, 2023</i>				
<u>Cost</u>				
IT equipment	P1,460,301	P57,193	P–	P1,517,494
Furniture, fixtures and office eqpmnt	169,117	92,937	–	262,054
Total	1,629,418	150,130	–	1,779,548
<u>Less accumulated depreciation</u>				
IT equipment	925,511	219,248	–	1,144,759
Furniture, fixtures and office eqpmnt	169,117	10,650	–	179,767
Total	1,094,628	229,898	–	1,324,526
Net Book Value	P534,790	(P79,768)	P–	P455,022

Note 10

Details of Trade and Other Payables

<i>December 31,</i>	2024	2023
Accrued expenses	P11,557,901	P7,835,813
Payable to collecting partners for claims paid to members	742,378	611,263
Accounts payable – Dakila	673,650	438,057
Savings fund of employees	368,405	484,243
Accounts payable for surrendered membership	75,790	44,910
	P13,418,124	P9,414,286

Accrued expenses represent the accrued collection costs subsequently paid in January 2025. Total collection costs paid to SEDP – Simbag sa Pag-asenso, Inc. amounted to P8,139,600 in 2024 and P7,139,131 in 2023.

Note 11

Insurance Contract Liabilities

This consists of the following:

<i>December 31,</i>	2024	2023
Claims incurred but not reported for life policies	P1,525,061	P1,086,814
Claims incurred but not reported for credit life policies	247,680	215,700
Claims in the course of settlement	–	–
Claims due and unpaid	–	–
Claims resisted/denied	–	–
	P1,772,741	P1,302,514

Incurred but not reported claims are claims reported beyond the reporting date whose date of claim happened three months before the reporting date. For 2024, claims reported in the months of November 2024, December 2024 and January 2025 whose date of death/claim is before November 1, 2024, are included in this category.

Claims in the course of settlement are claims reported and unpaid at the end of the year pending submission of documentary requirements. No decision has yet been made whether to deny or to pay the claim. The amounts recorded as insurance contract liabilities were certified by the Association's Actuary to be in accordance with sound actuarial principles. 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.

Total basic benefits and claims paid to members amounted to P32,181,189 in 2024 and P27,470,757 in 2023.

Note 12

Aggregate Reserves for Unexpired Risks

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

This following consist of the details of the reserves:

<i>December 31,</i>	2024	2023
Aggregates reserves for members' equity	P257,123,408	P232,424,418
Aggregates reserves for credit policies	4,657,757	3,877,162
Aggregates reserves for life policies	484,804	809,077
	P262,265,969	P237,110,657

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

<i>December 31, 2024</i>	<i>Reserves for Members' Equity</i>	<i>Reserves for Credit Policies</i>	<i>Reserves for Life Policies</i>	<i>Total</i>
Provisions during 2014	P65,986,915	P2,351,536	P1,206,266	P69,544,717
Provisions during 2015	13,243,621	(615,593)	(812,754)	11,815,274
Provisions during 2016 (Carried Forward.)	14,554,323	171,844	(225,963)	14,500,204

(Brought Forward.)

<i>December 31, 2024</i>	<i>Reserves for Members' Equity</i>	<i>Reserves for Credit Policies</i>	<i>Reserves for Life Policies</i>	<i>Total</i>
Provisions during 2017	14,722,450	219,929	91,466	15,033,845
Provisions during 2018	18,854,769	351,194	368,829	19,574,792
Provisions during 2019	23,337,784	212,229	99,035	23,649,048
Provisions during 2020	26,520,484	(297,510)	454,172	26,677,146
Provisions during 2021	23,013,530	620,848	(482,353)	23,152,025
Provisions during 2022	9,113,250	60,684	(143,563)	9,030,371
Provisions during 2023	23,077,292	802,001	253,942	24,133,235
	232,424,418	3,877,162	809,077	237,110,657
Provisions during 2024	24,698,990	780,595	(324,273)	25,155,312
	P257,123,408	P4,657,757	P484,804	P262,265,969

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

The reserve for credit life insurance represents the amount which is considered adequate to cover future guaranteed benefits on a debtor pursuant to or in connection with his/her specific loans and other credit transactions with the members of the Association.

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

The amount of aggregate reserves for members' equity, reserves for credit policies, reserves for life policies and reserves for golden life policies for the years ended December 31, 2024 and 2023, 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 13

Retirement Benefit Obligation

The Association's employees are provided with retirement benefits through a defined benefit plan. The plan defines the amount of pension benefit an employee will receive at retirement age. The legal obligation to pay the pension benefits remain with the Association. The Association's defined benefit pension plan covers all regular full-time employees.

The amounts recognized in the statement of financial position at the end of 2024 and 2023 are as follows:

Retirement Benefit Obligation Recognized in the Statement of Financial Position

<i>December 31,</i>	2024	2023
Present value of retirement benefit obligation	P2,469,997	P965,754
Less fair value of retirement plan asset	(296,932)	(1,323,112)
(Retirement Plan Asset) Retirement Benefit Obligation	P2,173,065	(P357,358)

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

<u>Years Ended December 31,</u>	<u>2024</u>	<u>2023</u>
Current service cost	P1,086,401	P95,262
Interest cost on benefit obligation	68,375	77,741
	1,154,776	173,003
Interest income on plan assets	—	—
Total charged to profit or loss	P1,154,776	P173,003

Changes in the Present Value of the Retirement Benefit Obligation

<u>December 31,</u>	<u>2024</u>	<u>2023</u>
Opening balances	P965,754	P1,098,030
Current service costs	1,086,401	95,262
Benefits paid during the year	68,375	(310,553)
Transfer of retirement liability from MFI to MBA	(1,105,655)	—
Interest cost	1,449,848	77,741
Actuarial gain - changes in financial assumptions	—	—
Actuarial loss - experience	5,274	5,274
	P2,469,997	P965,754

Principal Assumptions Used to Determine Pension Obligation

<u>December 31,</u>	<u>2024</u>	<u>2023</u>
Discount rate	7.08%	7.08%
Salary increase rate	3.00%	3.00%
Average expected working lives of employees	18.1	18.1

Movements in the Fair Value of Retirement Plan Assets

<u>December 31,</u>	<u>2024</u>	<u>2023</u>
Opening balances	P1,323,112	P1,177,802
Interest income	—	—
Contributions	—	402,510
Benefits paid	(857,750)	(310,553)
Repurchase	(247,905)	—
Re-measurement gain (losses) on return on plan assets	79,475	53,353
Closing balances (plan assets at PERAA)	P296,932	P1,323,112

Actual return on plan assets pertain to interests, dividends and other income together with realized and unrealized gain or losses derived from the plan assets less any costs of managing the plan and tax payable by the plan itself, other than tax included in the actuarial assumptions used to measure the DBO.

Note 14

Guaranty Fund

This represents the amount required by the Insurance Commission (IC) to be established to guaranty the benefits and security of policyholders and creditors of the Association, in accordance with the provisions of the Insurance Code, deposited in a local depository bank. (See Note 6.) The Fund is increased by the 5% contributions from members.

The Guaranty Fund is funded by investments in debt securities, (See Note 6.) which are assigned to the Insurance Commission (IC).

Accounting of Guaranty Fund

<i>December 31,</i>	2024	2023
Opening balances	P45,846,042	P41,109,295
Members contribution during the year	5,083,049	4,736,747
Closing balances	P50,929,091	P45,846,042

Note 15
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:

<i>December 31,</i>	2024	2023
Members' Benefits Fund	P42,178,908	P26,957,265
Members' Education Fund	13,922,802	10,378,975
Capacity Building Fund	13,622,354	10,078,527
Research and Development Fund	7,258,394	5,987,210
Acquisition of Systems and Equipment	5,482,943	3,711,029
	P82,465,401	P57,113,006

The movements of the appropriated funds during 2024 and 2023, as follows:

<i>December 31, 2024</i>	<i>Opening Balances</i>	<i>Allocations of Net Surplus</i>	<i>Disbursements</i>	<i>Closing Balances</i>
Members' Benefits Fund (70%)	P26,957,265	P24,806,793	(P9,585,150)	P42,178,908
Members' Education Fund (10%)	10,378,975	3,543,827		13,922,802
Capacity Building Fund (3%)	10,078,527	3,543,827		13,622,354
Research and Dev't. (2%)	5,987,210	1,771,914	(500,730)	7,258,394
Acquisition of Sys & Equip (15%)	3,711,029	1,771,914		5,482,943
	P57,113,006	P35,438,275	(P10,085,880)	P82,465,401
<i>December 31, 2023</i>				
Members' Benefits Fund (70%)	P28,756,618	P-	(P1,799,353)	P26,957,265
Members' Education Fund (10%)	10,378,975			10,378,975
Capacity Building Fund (3%)	10,078,527			10,078,527
Research and Dev't. (2%)	5,987,210			5,987,210
Acquisition of Sys & Equip (15%)	3,711,029			3,711,029
	P58,912,359	P-	(P1,799,353)	P57,113,006

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

The disbursements of special funds are considered as benefits paid to members. In 2023, The Board of Trustees approved to implement the release of 0.07% on members' equity value to their respective savings account amounted to P1,799,353.

Note 16
General Fund

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

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

The Association's General Fund already breached the 20% threshold of its total liabilities at the end of 2024, amounting to ₱18,843,776. The Association's management, however, has not yet assigned the excess surplus but will propose to the Insurance Commission (IC) the establishment of special funds to absorb the excess portion of the Fund.

Note 17

Members' Premium Contributions

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.

Every outstanding membership certificate must have an equity value to at least 50% of the total membership dues collected from the member less claims paid. The equity is payable to the members upon termination of their membership in the Association.

Every year, a number of members withdrew their equity from the Association. During 2024 and 2023, the total value of equity withdrawn amounted to ₱17,912,797 and ₱14,678,748, respectively. The withdrawal of equity is treated as part of the benefits paid to members.

Gross premiums on credit life insurance plan are income from loans on member which are deducted upfront in the payment of the loan. The amount of contribution is based on the principal amount and term of loans.

Membership Fees

The members are also charged with one-time membership fee of ₱150, which is non-refundable and does not form part of the members' accumulated and refundable contributions. The 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.

Total membership fees collected amounted to ₱2,215,726 in 2024 and ₱2,019,355 in 2023.

Note 18

Details of Compensation and Employees' Benefits

<i>Years Ended December 31,</i>	2024	2023
Short-term employees' benefits	P4,519,313	P3,735,496
Post-employment benefits <i>(Note 13)</i>	1,160,050	173,003
	P5,679,363	P3,908,499

The 2024 total compensation and employees' benefits was adjusted for the set-up of the actuarially-computed retirement benefit obligation. (See Note 13.)

Note 19

Details of General and Administrative Expenses

<i>Years Ended December 31,</i>	2024	2023
Meetings and seminars	P618,411	P451,644
Repairs and maintenance	573,997	411,980
Transportation and travel	565,830	225,309
Association dues	280,238	424,450
Taxes, licenses and fees <i>(Note 26)</i>	243,506	161,796
Supplies and materials	188,081	187,976
Professional fees	144,130	237,490
Communication	125,095	101,109
General assembly expenses	105,675	95,874
Insurance	40,283	118,829
Representation	–	2,040
Miscellaneous expenses	22,325	33,512
	P2,907,571	P2,452,009

Note 20

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. None of the transactions incorporate special terms and conditions and no guarantee is given or received. Outstanding balances are usually settled in cash.

Among these related transactions are the following:

- (a) 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. (See Note 10.) Total collection costs incurred amounted to P8,139,600 in 2024 and P7,139,131 in 2023.
- (b) The Chairman of the Board of Trustees of the Association is also a member of the Board of Trustees of SEDP-Simbag sa Pag-Asenso, Inc.
- (c) The Association is enjoying free use of the facilities of the Catholic Church in Legaspi City, Albay although it shares the cost of utilities.

(d) The key management compensation follows:

<i>Years Ended December 31,</i>	2024	2023
Short-term employee benefits	P653,371	P595,230
Other benefits	138,686	145,776
	P792,057	P741,006

Note 21
Fair Value Measurement

Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The following table summarizes the fair value hierarchy of the Association's financial assets and liabilities which are not measured at fair value in the 2024 statement of financial position but for which fair value is disclosed.

<i>December 31, 2024</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
<i><u>Financial assets</u></i>				
Cash and cash equivalents (Note 5)	P198,143,202	P–	P–	P198,143,202
Trade and other receivables (Note 7)	–	–	3,479,786	3,479,786
Inv. in debt & equity securities (Note 6)	289,866,670	–	–	289,866,670
	P488,009,872	P–	P3,479,786	P491,489,658

<i><u>Financial liabilities</u></i>				
Trade and other payables (Note 10)	P–	P–	P13,418,124	P13,418,124
Insurance contract liabilities (Note 11)	–	–	1,772,741	1,772,741
Aggregate reserves for risks (Note 12)	–	–	262,265,969	262,265,969
	P–	P–	P277,456,834	P277,456,834

December 31, 2023

<i><u>Financial assets</u></i>				
Cash and cash equivalents (Note 5)	P157,304,146	P–	P–	P157,304,146
Trade and other receivables (Note 7)	–	–	1,217,748	1,217,748
Inv. in debt & equity securities (Note 6)	283,809,545	–	–	283,809,545
	P441,113,691	P–	P1,217,748	P442,331,439

<i><u>Financial liabilities</u></i>				
Trade and other payables (Note 10)	P–	P–	P9,414,286	P9,414,286
Insurance contract liabilities (Note 11)	–	–	1,302,514	1,302,514
Aggregate reserves for risks (Note 12)	–	–	237,110,657	237,110,657
	P–	P–	P247,827,457	P247,827,457

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 following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis as of December 31, 2024 and 2023.

<i>December 31, 2024</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Other current assets (Note 8)	P–	P–	41,910	P41,910
Furniture, fixt & office equip–net (Note 9)	–	–	605,319	605,319
	P–	P–	647,229	P647,229
<i>December 31, 2023</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Other current assets (Note 8)	P–	P–	P197,679	P197,679
Furniture, fixt & office equip–net (Note 9)	–	–	455,022	455,022
	P–	P–	P652,701	P652,701

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

Note 22

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 level of capital maintained is always aimed to be higher than the minimum capital requirements of the IC. The Association considers the entire equity in determining the capital.

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.

Compliance with Capitalization Requirements

In accordance with the provisions of Chapter VII, Title 1, Section 405 of R.A. 10607, *The Amended Insurance Code*, a mutual benefit association incorporated after the effectivity of the Code shall constitute and establish a Guaranty Fund with initial amount of P5 million, in cash or in government securities, to answer for any valid benefit claim of any of its members.

The Association has complied with this requirement by having established its Guaranty Fund of P50,929,091 (See Note 14.) and having funded it with assigned investments in debt securities amounting to P46,506,432 (See Note 6.) and the deficiency of P4,422,659 is still merged in the cash in bank at the end of 2024.

Note 23

Risk Management Objectives and Policies

The Association is exposed to various risks in relation to financial instruments. The Association's principal financial instruments are its cash and cash equivalents (Note 5), investments in debt and equity securities (Note 6), trade and other receivables (Note 7), trade and other payables (Note 10), insurance contract liabilities (Note 11) and aggregate reserves for unexpired risks (Note 12). The main types of risks are insurance risk, credit and concentration risks, market risk and liquidity risk.

The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Association's financial performance and financial position. The Association actively measures, monitors and manages its financial risk exposures by various functions pursuant to the segregation of duties principle.

The Association is not exposed to foreign currency risk since it has no foreign currency deposits. In 2020, the Association purchased financial instruments as part of its investment strategies. The Association is now exposed to investment risks beginning 2020.

Risk Management Structure

The Board of Trustees is mainly responsible for the overall risk management and for the approval of risk strategies and principles of the Association. The Board of Trustees also has the overall responsibility for the development of risk strategies, principles, frameworks, policies and limits. It establishes a forum of discussion of the Association's approach to risk issues in order to make relevant decisions.

Insurance Risk

The principal risk the Association faces under insurance contracts is the risk that the actual claims and benefit payments exceed the carrying amount of recognized insurance liabilities. This situation is influenced by the frequency of claims, severity of claims, actual benefits paid are greater than originally estimated and subsequent development of long-term claims. Therefore, the objective of the Association is to ensure that sufficient reserves are available to cover these liabilities. The amount of reserves set-up in the books is computed by the Actuarial Consultant and monitored on a regular basis.

Credit and Concentration Risks/Investment Risk

Credit risk refers to the risk that counterparty will default and/or not honor its financial or contractual obligations resulting in financial losses to the Association. The Association is exposed to credit risk from financial assets including its cash held in banks, receivables from agents and others and investments in financial instruments.

The credit risk in respect of cash balances held with banks and time deposits with banks are managed via diversification of bank deposits and are only with major reputable financial institutions and are regularly monitored. Trade receivables consist of premiums receivable from active members and from the unremitted premium collections by the agent-affiliate. The Association does not hold any security on the receivables from agents and others balance and the accounts are monitored on an ongoing basis with the result that the Association's exposure to impairment is not significant.

The investment risk related to investments in financial instruments represents the exposure to loss resulting from cash flows from invested assets being less than the cash flows required to meet the obligations of the expected policy and contract liabilities and the necessary return on investments. To maintain an adequate yield to match the interest necessary to support future policy liabilities, the Board of Trustees is investing only on Government financial instruments which are fairly safe investments.

The Association deals only with creditworthy counterparties duly approved by the Board of Trustees. Its maximum exposure to credit risk for the components of the statements of financial position is the carrying

amounts as shown in the following table:

<i>December 31, 2024</i>	<i>Neither Past Due Nor Impaired</i>	<i>Past Due But Not Impaired</i>	<i>Total</i>
Cash and cash equivalents (Note 5)	P198,143,202	P	P198,143,202
Trade and other receivables (Note 7)	3,479,786		3,479,786
Inv. in debt & equity securities (Note 6)	289,866,670		289,866,670
	P491,489,658	P	P491,489,658
	100.00%		100.00%
<i>December 31, 2023</i>			
Cash and cash equivalents (Note 5)	P157,304,146	P-	P157,304,146
Trade and other receivables (Note 7)	1,217,748	-	1,217,748
Inv. in debt & equity securities (Note 6)	283,809,545	-	283,809,545
	P442,331,439	P-	P442,331,439
	100%		100%

Credit Quality by Class of Financial Assets Based on the Association's Rating System

<i>December 31, 2024</i>	<i>High Grade</i>	<i>Standard Grade</i>	<i>Impaired</i>	<i>Total</i>
Cash and cash equivalents (Note 5)	P198,143,202	P	P	P198,143,202
Trade and other receivables (Note 7)	3,479,786			3,479,786
Inv. in debt & equity securities (Note 6)		289,866,670		289,866,670
	P201,622,988	P289,866,670	P	P491,489,658
<i>December 31, 2023</i>				
Cash and cash equivalents (Note 5)	P157,304,146	P-	P-	P157,304,146
Trade and other receivables (Note 7)	1,217,748	-	-	1,217,748
Inv. in debt & equity securities (Note 6)	-	283,809,545	-	283,809,545
	P158,521,894	P283,809,545	P-	P442,331,439

Financial instruments classified as "high grade" are those cash transacted with reputable local banks and receivables with no history of default on the agreed contract terms. Financial instruments classified as "standard grade" are those receivables from parties who need to be reminded of their duties. No financial assets were deemed by management as impaired.

Market Risks

Market risk is the possibility that changes in equity prices or interest rates will adversely affect the value of the Association's assets, liabilities or expected future cash flows. The Association has no exposure arising from complex investments since it is not engaging in high risk investments, forward contracts, hedging, and the like, whether local or foreign transactions. The Association has no exposure to price risks as its investments in quoted equity and debt securities are of fixed interest rates. The Association's interest rate risk arises from its time deposits with banks. The Association invested in fixed rate deposits to mitigate the risks. The Association is not exposed to foreign currency risks as it has no assets nor liabilities denominated in foreign currency.

Liquidity Risks

Liquidity risk is that the Association might be unable to meet its obligations. The Association's objectives to manage its liquidity profile are: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost. The Association manages its liquidity by carefully monitoring its scheduled servicing payments for financial liabilities as well as its cash flows due on its day-to-day business.

The data used for analyzing these cash flows is consistent with that used in the contractual maturity analysis in

the following table. Net cash requirements are compared to available cash position in order to determine headroom or any shortfalls. This analysis shows that the available cash position is expected to be sufficient over the lookout period.

The Association considers its expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Association's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from receivables from agents and others are all due contractually within six months.

Maturity Profile of the Association's Financial Liabilities

<i>December 31, 2024</i>	<i>Due in One Year</i>	<i>Due Over One Year</i>	<i>Total</i>
Trade and other payables (Note 10)	P13,418,124	P–	P13,418,124
Insurance contract liabilities (Note 11)	1,772,741	–	1,772,741
Aggregate reserves for unexpired risks (Note 12)	–	262,265,969	262,265,969
	P15,190,865	P262,265,969	P277,456,834
	5.48%	94.52%	100.00%

Note 24

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 25

Authorization of Financial Statements

The Association's financial statements as of December 31, 2024, and for the period then ended, were authorized for issue by the Executive Committee of the Board of Trustees on April 25, 2025.

Note 26

Details of Taxes, Licenses and Fees

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

<i>Years Ended December 31,</i>	2024	2023
License renewal and filing fees	P214,060	P116,104
ICD golden arrow award	24,000	–
Local taxes/fees (business permits, etc.)	4,946	4,136
BIR annual registration	500	500
BIR taxes and other payments	–	36,590
SEC fees and other payments	–	4,466
	P243,506	P161,796

LETTER OF RECOMMENDATIONS
AUDIT YEAR 2024

Letter of Recommendations to

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

Audit Year December 31, 2024

Recommended by:

April 28, 2025

**SIMBAG SA EMERHENSYA ASIN DAGDAG PASEGURO
MUTUAL BENEFIT ASSOCIATION (SEDP MBA), INC.**
3/F The Chancery, Cathedral Compound, Old Albay District, Legazpi City

Attention: **Fr. Jose Victor E. Lobrigo**, President,
Ms. Rosana Ballarbare, Treasurer and
Ms. Ella S. Gonzalo, MBA Manager

Gentlemen:

We have audited 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, 2024 and have issued our report dated April 28, 2025. As part of our engagement, we made a study and evaluation of the Association's system of internal accounting control to the extent we considered necessary to obtain understanding of internal control over financial reporting, to assess the risk that a material weakness exists, and to test and evaluate the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances.

Management's Responsibility Over Internal Control

The management of the Association is responsible for establishing and maintaining the internal control structures of the Association. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related cost of control procedures. An internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Philippine Financial Reporting Standards (PFRSs). An internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Association; (2) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with PFRSs, and that receipts and disbursements are being made only in accordance with budgets and authorizations of management; and (3) provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of the Association's assets that could have a material effect on the financial statements in general.

Because of inherent limitations in any internal control structure, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the internal control structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Our objective is to use our knowledge of the Association gained during our routine audit work to make useful comments and suggestions for you to consider. However, you will appreciate that our routine audit work is designed to enable us to form an opinion on the financial statements of the Association and it should not be relied upon to disclose all irregularities that may exist or to disclose errors that are not material in relation to the financial statements. Accordingly, we do not express an opinion on the system of internal accounting control of **Simbag sa Emerhensya Asin Dagdag Paseguro Mutual Benefit Association (SEDP MBA), Inc.**, taken as a whole.

The purpose of this letter is to set out certain matters that came to our attention during the course of our audit of the financial statements of the Association for the year ended December 31, 2024. Our report is designed to include useful recommendations that may help improve performance and avoid weaknesses that could lead to material loss or misstatement. It is your obligation to take the actions needed to remedy those weaknesses and should you fail to do so we shall not be held responsible if loss or misstatement occurs as a result.

FINDINGS, COMMENTS AND RECOMMENDATIONS

Item 1

General Findings

Generally, the internal controls tested were found to be working. We did not identify any reportable conditions or material weakness in internal control. We noted instances of non-compliance with significant laws and regulations, more particularly those pointed out in our audit report, namely: the revenue recognition policy on interest on loans and the recognition of service income on loans which are not in accordance with the requirements of PFRSs. In accordance with Philippine Standards on Auditing (PSAs), reportable conditions are matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Association's ability to record, process, summarize, and report financial data consistent with the assertions by management in the financial statements. Material weaknesses are reportable conditions in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements, in amounts that would be material in relation to the financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We reiterate that we did not identify any of these conditions in internal control.

Item 2

Maintain the General Fund at Its Minimum Requirement

We noted that the General Fund of the Association has been maintained at more than 20% of the total liabilities of the Association. As at December 31, 2024, the General Fund had an excess of P18,843 million.

We present below our computation of the excess which the Association can appropriate for special purposes, subject to the approval from the IC.

<i>December 31,</i>	2024	2023
Unadjusted free and unassigned fund balances	P89,124,292	P65,816,901
Net surplus for the year	21,083,739	23,307,391
Appropriations to Special Funds	(35,438,275)	–
Adjusted free and unassigned fund balances	74,769,756	89,124,292
20% limitation on total liabilities	55,925,980	45,846,042
Total excess on 20% limitation for savings allocations	P18,843,776	P43,278,250

We recommend that management consider utilizing the excess General Fund for allocations to projects, activities, advocacies and other member-development-related activities that are approved by the IC. We also suggest that management consider returning the excess General Fund by way of dividends or enhancing the members' equity value or providing benefits in kind and other relevant services. We recommend that management consider preparing a budget plan of possible activities and that such a plan be presented to the Board of Trustees for approval. Allocations for special-purpose funds are approved by the Insurance Commission.

Item 3

Ensure to Regularly Monitor Funding of Guaranty Fund

We noted that at the end of 2024, the Association's restricted investments to cover for the Guaranty Fund was deficient by P4,422,659, i.e., Guaranty Fund of P50,929,091 less restricted investments of P46,506,432. The difference could be attributed to the increase of the premium contributions during the year. In view thereof, we recommend that the Association allocate funds for restricted investments approximating the deficiency.

Item 4

Secure and Actual Valuation for Retirement Benefits in 2025

The Association's valuation of its retirement plan (Amended PAS 19® Valuation) was done during 2021 and 2022. Valuation should be made at least every three years. We recommend that the Association secure the services of its retained actuaries to update the valuation of its Retirement Plan in 2025.

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This report is submitted solely for the information of the Board of Trustees and management and should not be quoted or shown to other parties outside of the Association because of the possibility of misunderstanding by persons who may not be aware of the objectives and limitations, as well as the special circumstances surrounding our examination of the Association's financial statements. We will accept no responsibility to any third party in relation to it.

Please let us know should you have queries on the foregoing matters.

Very truly yours,



PTF No. 6133948 A

January 2, 2025

Cagayan de Oro City