

how we came to be

CARD MRI
ANNUAL
REPORT
2016



about the cover

As CARD Mutually Reinforcing Institutions reach its 30th year in service, the growing group of people- and development-oriented institutions celebrates its remarkable milestones that contribute to the rich ongoing history of CARD MRI in empowering Filipino women and families. As the group pursues its vision of being a world-class leader in microfinance and community-based social development undertakings, CARD MRI had been through many ups and downs but was able to face them with its consistent, purposeful, and forward-looking brand of service.

The butterfly is a representation of CARD MRI's metamorphosis: its transformation from a small social development foundation into a group of mutually reinforcing institutions that have made positive impact to the lives of its more than four million clients. Inside the butterfly's wings are a few of the many momentous events that brought CARD MRI to where it is now and that will continuously inspire the organization to reinvent itself while remaining anchored to its purpose and keeping in mind the people it serves.





vision

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

mission

CARD MRI is committed to:

Empower socially- and economically-challenged women and families through continuous access to financial, microinsurance, educational, livelihood, health, and other capacity-building services that eventually transform them into responsible citizens for their community and the environment;

Enable the women members to gain control and ownership of financial and social development institutions; and

Partner with appropriate agencies, private institutions, and people and community organizations to facilitate achievement of mutual goals.



UNCEASING Legacy

Dr. Jaime Aristotle B. Alip

Founder and Managing Director, CARD MRI

The metamorphosis that CARD MRI has gone through is truly one remarkable journey.

After thirty years of serving the poor, we spread our wings, took flight, and brought about change in millions of Filipinos' lives.

In 1986, we started building a dream for our fellow Filipinos with what may have been the smallest resources one could begin with: a twenty-peso bill, an office with an old desk and three chairs, and an old and battered typewriter. Nonetheless, we were still equipped with the biggest aspiration: we will provide opportunities for the development of those who are in need.

The victory we have now will always be indebted to our

members, staff, and partners. With this, we extend our earnest gratitude to their continuous support and unwavering trust.

Though faced with several challenges along the way, we kept on pushing forward to reaching our goal of poverty eradication. We are inspired with every story of change we hear from our clients: a business that flourished, children who graduated from college, a family insured in times of calamities, and more. This inspiration is the fire in our hearts that keeps burning and that will never cease.

This 2016, we reached more than 4.2 million clients. While, this is already a big accomplishment for us, our desire to do more for the country remains unfaltering. We are looking forward to touching more lives through our financial,

non-financial, and community development programs. True to our institution's long built character, our innovative spirit will bring to life new projects, programs, and even institutions that will continue to respond to the ever-evolving needs of our members.

We acknowledge that CARD MRI could not go this far if not for our strong-willed, hardworking, and goal-oriented family of more than 11,000 employees. We started with just one employee who did everything all at once from being a field staff to doing finance and administrative tasks. Now, CARD MRI has not only provided various job opportunities but has also provided stable career paths for all of its employees.

In the same way, we also recognize the CARD MRI elders

who serve as the light that guides us in the direction CARD MRI should take. Together with them, CARD MRI strategizes a succession plan to sustain the values it built in the past 30 years. We remain active in mentoring the future leaders of the institution. By doing so, we are assured that CARD MRI will always be on track of its mission.

CARD MRI will be proactive and will continuously reinvent itself by expanding the range of

its services and activities. We will continuously aim to be a partner of every Filipino who dreams of a better life for their families. Through the collective efforts of our institutions, partners, clients, and members, we are confident that we will eventually fulfill our 30-year-old dream of having a nation with zero poverty.

As a value-laden institution, we will continue to pursue our vision and mission while still

upholding to our core values of competence, family spirit, integrity, simplicity, humility, excellence, and stewardship.

As we step into a brand new decade, we will always look back at the lessons we learned in the past three decades while still looking ahead on what's in store for us. CARD MRI will continue writing its story of metamorphosis and will one day, leave the legacy of ending poverty in the Philippines.





A STEP CLOSER TO A BETTER tomorrow

FLORDELIZA L. SARMIENTO

Deputy Managing Director, CARD MRI

There is no shortcut to success; you must go through several roads and roadblocks in order to achieve your goal.

CARD's goal is to eradicate poverty in the country. When we began serving the landless rural workers in 1986, we made good use of a borrowed battered typewriter and a twenty-peso bill to write a proposal to potential funders. After several tries, it finally landed on good-natured partners who helped CARD in serving these workers. With CARD's perseverance, it was able to perpetuate and grow into a strong

institution serving millions of families with its capable hands. We were able to offer them various services; transforming their lives by giving countless opportunities to them.

In 2016, over four million families were served and we hope that it will continue to grow in number because by the end of 2017, we plan to reach more than five million families. We also foresee an upswing in the number of potential insured individuals from more than 12 million in the previous year to almost 18 million this year.

CARD MRI is known for dreaming big and our 5-8-40 Strategy

is one of these dreams. From our planned 5.4 million families by the end of 2017, we will reach eight million families and insure 40 million individuals by 2020.

On behalf of the whole CARD MRI, I am very proud to announce that on the first year of implementation of the 5-8-40 Strategy, we already achieved more than half of our goal for the number of clients we will have served. With this accomplishment in mind, we will ensure that we will be able to recruit more clients. As for the number of insured individuals, we have reached 12 million of the targeted 40 million individuals, giving

us 30% of our target just on the first year of implementation.

We have truly gained great results on the first year of the 5-8-40 Strategy. In 2017, we look forward to better outcomes. One of the strategies we will do to achieve this is by providing easier access to financial aid to our member-borrowers. We will implement loans processing more efficiently and we will continue protecting our member-borrowers as part of our client protection program. We will work with them more closely and listen more intently.

Another strategy is opening of more branches even in the hard to reach areas. This will not only help millions of clients but will also open numerous doors for employment. Through this, the institution will also be able to help the country in lowering unemployment rate.

We have also been successful in living up to our mission of empowering women and their families through sustained access to and ownership of financial, non-financial, and community development services. We will continue this in the coming years.

Together with the 19 institutions established by CARD MRI from 1986 to 2016 and about two more institutions in 2017, we look forward to greater heights as we achieve our 5-8-40 Strategy.

Our heart to serve Filipino women and their families will not waver. It shall continue to spread like a wildfire in the institution's pursuit to extend a helping hand to those who are in need.

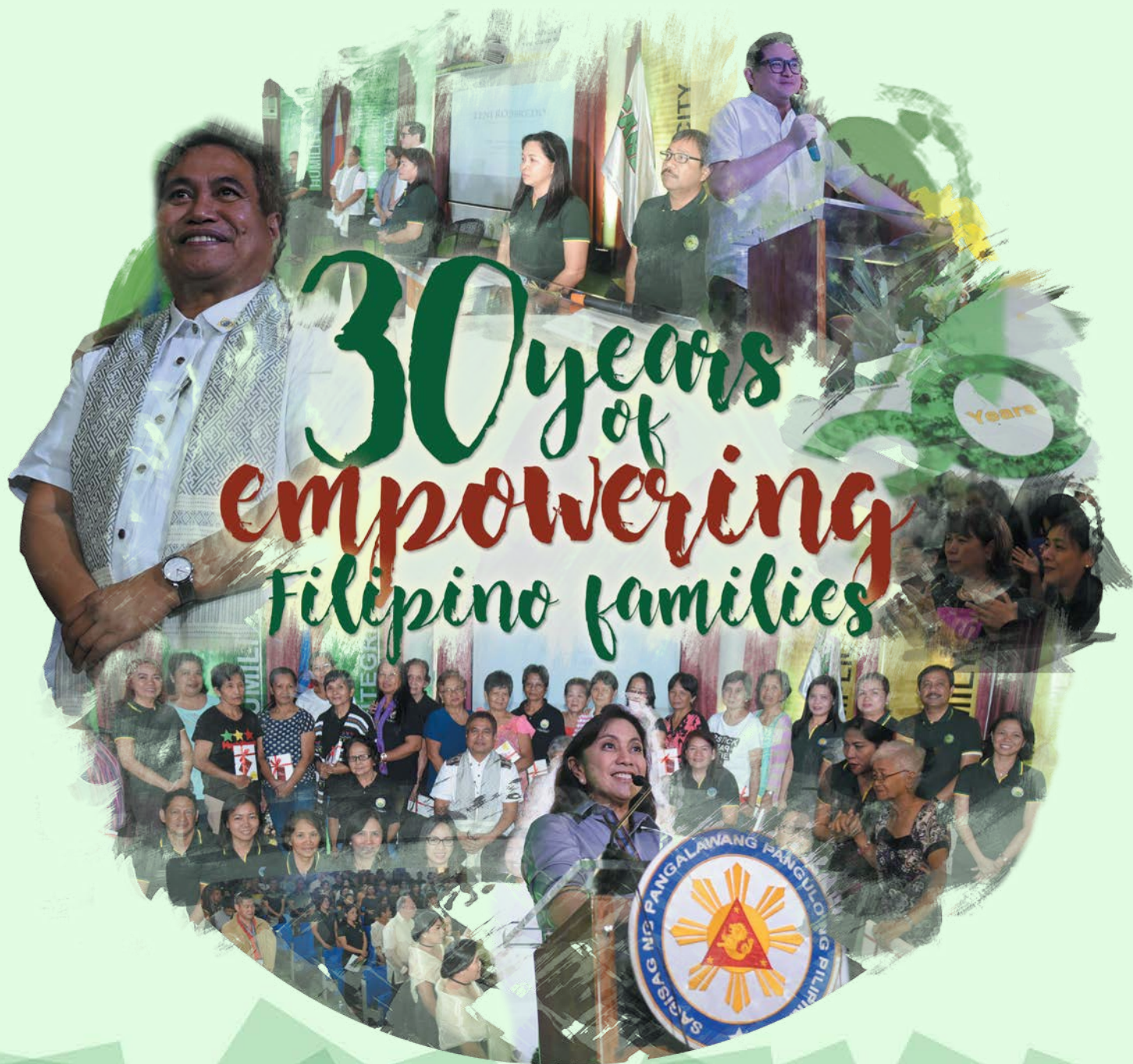
Coming in Full Circle

In 2016, we have served 4.2 million clients - more than half of our target number of clients.

In terms of our target number of insured individuals, which is 40 million, we have already registered 30.65% or 12, 262, 672 insured individuals.

With the initial success of the 5-8-40 strategic plan, we are confident that in the succeeding years, CARD MRI would achieve its goals and may even exceed them. We face the year ahead with a positive mindset and an unceasing passion to serve, hoping for consistent improvements which would draw us nearer to our primary goal of poverty eradication.





In 1986, Dr. Jaime Aristotle Alip, with 14 rural development practitioners, began weaving different success stories of more than four million Filipino families in the next 30 years. For an organization whose foundations were developed from an old typewriter, a twenty-peso bill, and the passion to help the poor, the most remarkable way for CARD MRI to commence its year-long 30th anniversary celebration in March 2016 was to invite its pioneering members, dedicated staff, and microfinance supporters.

As CARD MRI marks its 30th year in the field of development service, it celebrates the continuous support of its partners and stakeholders, the solid efforts of its over 11, 000 employees, and most importantly, the unwavering trust of its more than four million clients from different regions in the Philippines.

On behalf of the more than four million clients, Mrs. Pascuala Gefoso shared how CARD MRI empowered her as a woman, as a mother, and as a microentrepreneur: *"To be poor is a choice. Thanks to CARD MRI and other key stakeholders for believing in our capacity – that even though we are poor, we can still do great things".*

CARD MRI also launched the very first permanent installation art in the Philippines, a recent addition to the many firsts made by the organization. This installation art, the "Nook of Memories", by famous artist Junyee, aims to immortalize the

contributions of different individuals who, in their many different ways, helped inspire social development.

Placed in the nook is a marker dedicated to the late President Corazon Cojuangco-Aquino who was a known supporter of social development institutions. She awarded CARD MRI with the People Power Award in 2005.

The presence of many CARD MRI clients during the celebration made the event memorable as they served as the main audience to witness yet another remarkable milestone of CARD MRI.

CARD MRI LAUNCHES FIRST LOCAL HISTORY BOOK

Still part of its anniversary celebration, CARD MRI launched its first local history book project named *"History of San Pablo: Reviewed, Rewritten, and Retold"*, at the Museo ng San Pablo in September 2016. The project was a local history book of San Pablo City, wherein the

foundations of the institution were built and developed.

The book features six essays retelling the city's coconut industry, the significant role of women in the society, the demographic challenges encountered by the locals, the role played by religion in shaping history, and lastly, the money lending, usury, and land ownership in San Pablo City.

Dr. Alip attributed the success of the project to the late Randolph de Jesus, who started the initial research and concept of the book, to Kara Garilao, Hijos tour consultant, the CARD MRI's staff and members, key figures of San Pablo City, San Pablo City tourism office, the writers, and the researchers who pieced all the puzzles to complete the project.

The book will serve as a useful historical reference for students of CARD-MRI Development Institute (CMDI) in Bay, Laguna, and of schools in San Pablo City and nearby towns. Moreover, it is also a way to advance the local community's sense



of identity and self-worth, as noted by Dr. Francis Gealogo, one of the book's authors and editors.

Among the strengths of the book was its reliance on primary archival sources of the city's history from as early as the sixteenth century up to the pre-World War II period. Furthermore, the stories did not just elaborate on the local conditions of San Pablo City during the early periods, but also discussed the larger contexts of these on both national and international levels.

Present during the launch were CARD MRI executives, management, staff and clients, officials from schools and from the local government of San Pablo City, as well as CARD MRI's pioneer clients.

TOWARDS BUILDING A NATION OF ZERO POVERTY

On December 10, 2016, CARD MRI organized another event in celebrating its 30th anniversary

with Vice President Leni Robredo. Prior to the event, the vice president visited a center meeting in Gumaca, Quezon where she was able to look into the various financial afflictions of the marginalized sector and draw inspiration from the organization's model. *"If you were able do it in CARD, there is no reason for us not to be able to do it as a nation"*, declared the vice president who was a known advocate of poverty eradication even before her vice-presidency.

In appreciation of the steadfast support from its partners, CARD MRI gave certificates of recognition to its key partners and clients for supporting its mission. They also conducted a study-tour to give local and national media a glimpse of how the organization operates in the communities.

This anniversary of CARD MRI is geared toward its mission of "Zero Poverty". The event, which was held in CMDI, Bay Campus, was attended

by more than 500 participants including significant individuals and groups from the government and microfinance industry.

Also present in the celebration is Senator Bam Aquino, who authored the Republic Act (RA) No. 10693. This law strengthens non-government organizations engaged in microfinance activities for the poor. For CARD MRI, the approval of this act, which is more known as the Microfinance NGO's Act was another step in achieving its goal of eradicating poverty in the Philippines.

CELEBRATING 30 YEARS BY ADVANCING ITS SERVICES

Throughout its year-long anniversary celebration, CARD MRI opened banks in various regions in the country. This is to reinforce the organization's thrust of providing the vehicle for financial inclusion and of its continuous aim to serve as a partner of every Filipino who dreams of a better life for his family. The organization had also forged more partnerships, conducted health missions, initiated livelihood programs, offered educational services, and steered several caravans for CARD MRI products and services.

As of 2016, the organization had extended its services to more than four million Filipino families and had by far established 289 branches and area offices and 49 provincial offices in the country. It has covered almost 16.5% of the total population in the Philippines with microinsurance





through CARD Mutual Benefit Association, Inc. Notwithstanding its already commendable achievements, the organization promises to remain proactive and to continuously reinvent itself to expand its range of products and services as it came up with the 5-8-40 Strategy, which was introduced in 2015.

REMAINING TRUE TO ITS 5-8-40 STRATEGIC DIRECTION

During the celebration in CMDI Bay Campus, CARD MRI's Founder and Managing Director, Dr. Alip mentioned the organization's 5-8-

40 Strategy. *"This means that in five years, we hope to provide our services to eight million clients. Assuming that each of that eight million clients have five members in the family, we will be providing community development programs like insurance, health services, and educational programs to 40 million individuals,"* he stated.

This 2017, the institution extends the celebration of its anniversary with its clients in different provinces; North Luzon in January, and Visayas and Mindanao in February. Through 5-8-40 Strategy and through the collective

effort of its institutions, partners, clients, and members, CARD MRI will continuously aim to achieve an avenue for financial inclusion this year and in the years to come.

CARD MRI is confident that with the implementation of its 5-year strategic plan, it will be able to empower the poor by increasing their income and employment and providing insurance, health, and education services. As the organization celebrates 30 years of empowerment, CARD MRI is inspired to widen the scope of its endeavors to millions of Filipino families.



LOAN OUTSTANDING
PhP 16,777,138,855



SAVINGS
PhP 11,751,810,520



HEAD OFFICE
10



MLNI OUTLETS
3



**BRANCHES AND
AREA OFFICES**
289



CLINICS
15



**OFFICE UNIT/
MICROBANKING
OFFICE**
1,954



**REPAYMENT
RATE**
99.41%



STAFF
11,387



**INSURED
INDIVIDUALS**
12,262,672

Accomplishments of CARD MRI



**FINANCIAL
SELF-SUFFICIENCY**
121.11%



**CLIENTS
SERVED**
4,175,931



**CLIENTS AND
SAVERS**
3,952,565



**ACTIVE CLIENTS
WITH LOAN**
2,280,872



**PROVINCIAL
OFFICES**
49



**GENERIC
DRUGSTORE**
10



**MBA
COORDINATORS**
1,483



**OPERATING
SELF-SUFFICIENCY**
134.50%



**LIAISON OFFICES/ PROGRAM PARTNERSHIPS
IN CAMBODIA, HONGKONG, INDONESIA,
LAOS, MYANMAR & VIETNAM**

6



**FAMILY WHO
RECEIVED RELIEF
ASSISTANCE**

1,207,814





The Metamorphosis

For many years, CARD MRI has grown and developed into a paragon of financial/non-financial community development institutions. With our goals of eradicating poverty and serving the nation, time has aided us in reaching milestones which established our name as one of the leading organizations for the poor.

This year, in line with our 30th anniversary celebration, we look back at our small beginnings. We commemorate how history has shaped us - through the challenges that we have surpassed and accomplishments that we have achieved - into a passionate and hardworking group of institutions.



"1986 was a year of epiphany for many Filipinos. What was once a tumultuous and fear-stricken land became a symbol of hope and jubilation. The nation clamored for transformation; it was the beginning of change."

– Dr. Jaime Aristotle B. Alip

The Asian Community Trust (ACT), headed by Takayoshi Amenomori, was the first institution to trust CARD's vision.

"I slept in the airport. It had heating and the bathrooms were excellent. Taka noticed that every time I would meet with them, I would be wearing the exact same suit I wore the day before. He asked me about this and I told him where I was staying. Soon after, the proposal was approved, twice! I had gone to Japan to proposed for a ten thousand dollar grant. CARD got twenty thousand when it was finally approved by ACT and Imai Trust of Japan."

– Dr. Jaime Aristotle B. Alip

CARD was able to provide short-term micro loans to samahans with flexible repayment schedules through this grant.

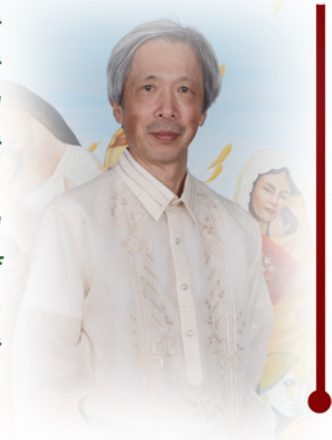
1988

1986

Dr. Jaime Aristotle B. Alip, together with 14 rural development practitioners, spearheaded the establishment of a social development foundation called Center for Agriculture and Rural Development (CARD), Inc. on 10 December 1986.

"Great as CARD MRI is, it is not and should not be an empire. It is a great infrastructure for and by the less fortunate, so that they can improve their own lives: being able to lead a safer and better life, to have a choice of what kind of life they would like to lead, rather than just being left to fate."

– Takayoshi Amenomori



Rooted in Strength

In its 30 years of dedicated service, CARD, Inc. has converted many stepping-stones into milestones as we reached notable benchmarks in pursuing CARD MRI's mission of empowering Filipino women and families. Established as a non-government organization in 1986, we have then evolved into an outstanding microfinance institution committed to provide a wide range of financial, capacity-building and community-based social development services to our clients.

PRIORITIZING OUR CLIENTS' NEEDS

In CARD, Inc., we help safeguard our microfinance clients from indebtedness through continuous implementation of center meetings, credit investigation among clients, and credit bureau. Through a holistic approach to development, we address the different needs of our clients. We aim to transform our clients into more productive and financially secured individuals through a variety of products and services such as credit, microinsurance, as well as community development programs on health, education, environment, and livelihood, among others.

In 2016, we transferred a total of 75,626

members into formal banking institutions. We continued to develop strategies to assist in the expansion process and tapped more members that we can assist through our microfinance services. We treat our members as high-value clients.

IN CONSTANT PURSUIT OF EXCELLENCE

CARD, Inc. continuously strives to pursue its vision of being a world-class leader in microfinance through its purposeful and forward-looking service. We created our products, services, and policies with the best interest of our clients in mind. Through our Development Services for the Hardcore Poor, we extended our reach to more Filipino families by opening new area offices and unit offices in hard-to-reach areas in the country.

To better suit the needs of our clients, our institution worked on refining some of our processes and policies. We shortened our client recruitment process to engage more members, particularly in the areas with other existing microfinance players. We also shortened the process on loan disbursements. Furthermore, we also introduced the pay-and-go payment



Jocelyn D. Dequito

Executive Director
Center for Agriculture and Rural
Development (CARD), Inc.

scheme to accommodate clients in commercial areas who do not have the time to attend weekly meetings. In CARD, Inc., we believe that it is through these innovations and with our utmost regard to our clients that we were able to increase our membership from 1.18 million to 1.3 million clients in 2016.

CARD, Inc. believes that excellence can be achieved by setting benchmarks that challenge our potentials as an institution. In 2017, we will further extend the reach of our services to more hard-to-reach areas and island towns. We will continue to implement our scholarship and health programs, and will undergo continuous refinement of our products, services, policies, and processes to best respond to the changing and growing needs of our clients. In 2017 and in the years to come, CARD, Inc. will be in constant pursuit of suitable strategies and innovations that will reinforce our mission to eradicate poverty.

CARD re-examined its program after one year of operation due to a 68% repayment rate.

CARD, Inc. gained inspiration from Grameen Bank of Bangladesh, founded by Professor Muhammad Yunus, and modified the bank's solidarity group lending to fit the Philippine context.

Samahans were changed to centers - a group composed of five members who are required to attend trainings and weekly meetings and pay a compulsory weekly savings of PhP 5.00.

1989



1990

CARD provided members with loan products by launching its flagship program: The Landless People's Development Fund (LPDF).





CARD's portfolio grew from 200 to 4,240 borrowers in just three years mainly due to additional grants given by funders from Germany and Australia.

1995

1994

The CARD MRI Development Institute (CMDI) was established as CARD, Inc. Training Unit which aimed to respond to the capacity-building training needs of the Institution.





The Bangko Sentral ng Pilipinas granted CARD, Inc. the license to operate a rural bank named **CARD Bank, Inc.**

1997

1996

CARD underwent rapid expansion. Grameen helped CARD in opening new branches; Cashpor aided in providing training and technical assistance; Philnet assisted in convincing the government to allot more funds to microfinance institutions.

Soaring to Greater Heights

With the permission to operate as a bank, CARD Bank, Inc. became the first microfinance-oriented rural bank in the country. It was established after CARD, Inc. and has been rendering microfinance service since 1997.

Uplifting lives was the objective of choosing women and their families as our intended beneficiaries. It was never our intention to show bias towards women, but it is to provide them with income-generating activities while they stay at home.

Serving almost half of the roughly four million clients of CARD MRI, CARD Bank is continuously expanding. Aside from the increase in number of members this year, we have also opened five additional branches nationwide which paved the way to the introduction of 69 Micro Banking Offices (MBO). These offices are expected to offer a less-hassle mode of payment and services collections. This year, we have successfully shifted to a new system for our Matapat ATM Savings.

The Core Banking System centralizes all of CARD Bank, Inc.'s branches.

The goal of this project is to allow members to access our products and services in any CARD Bank, Inc. branches present in the country.

PROGRESSIVE YEARS AHEAD

Through our efforts and dedication, we are looking forward to major breakthroughs in 2017. One of which is the pilot run of our Core Banking System in six branches this May 2017 and another 10 to follow in June. We are keeping our hopes for other branches to follow.

For the past 30 years, CARD Bank, Inc. and the whole CARD MRI went across borders. We have catered to numerous families, helped them gain financial knowledge, and gave them ideas on how to achieve community and self-development. As the years approach, we pledge to give our members the continuous services we have always provided to them.

This coming 2017, we are looking forward to opening eight new branches and 72 MBOs to better serve



Marivic M. Austria

President & CEO
CARD BANK, Inc.

and expand our bank reach in Visayas, Mindanao, Quezon, and Mindoro.

In line with our goal of bringing a more convenient and faster access to products and services, we would also like to come up with better ways on how to deliver our banking services to members while they are in the comfort of their homes; this gave birth to our *konek2CARD* mobile system. We have faith that we will be able to do all these without losing the institution's essence, which is instilling discipline among our members.

In CARD Bank, Inc., our members are not just mere clients. They are recognized as partners and undoubtedly play a massive role in our ever-growing family.



Inspired by its vision, CARD Bank, Inc.'s ownership was shared among clients on February 14. From then on, members can buy shares of stocks through transfer of their compulsory savings as payment.

The CMDI's training center was inaugurated in its new and present location: Brgy. Tranca, Bay, Laguna.

CARD MRI received the Flame of Excellence Award from the Coalition of Microfinance Standards.

2000

1999

The Members' Mutual Fund (MMF) became known as **CARD Mutual Benefit Association (CARD MBA)** which provides loan redemption and death benefits to its members.

CARD Bank shifted to a new microfinance model, ASA, which focuses on individual loans while having the same group approach.

Improving lives. Transpiring changes

As one of the earliest member institutions of the CARD MRI group, CARD Mutual Benefit Association (MBA) was born out of CARD, Inc.'s commitment to widen the range of its services while keeping the members' best interests in mind. For the primary purpose of loan redemption in case of death of member-borrowers and the provision of death benefits for the members and their legal dependents, CARD, Inc. started an informal in-house insurance arm known as the Member's Mutual Fund (MMF) in 1994.

In 1999, the concept of insuring the members started with a proposal from a commercial insurance company offering such service. At the time, CARD staff has already been receiving queries from the members along this line: "What will happen if we die?" However, upon reviewing the premiums needed to be paid by members from the commercial insurance's proposal, CARD officials agreed that the members will not be able to pay for such amount.

Learning from this experience, CARD, Inc. transferred the assets of MMF to its members who then established CARD MBA as a separate non-profit, legal identity owned and managed by the members in 1999.

DEVELOPING OUR MICROINSURANCE PRODUCTS

In 2000, CARD MBA developed products and services that enabled the association to set its identity as a microinsurance

mutual benefit association. Among the microinsurance products that our institution provided included the Basic Life Insurance, Golden Life Insurance, Credit Life Insurance, and Retirement Savings Fund. CARD MBA also committed to create community development programs that would cater to the non-financial needs of our members as well as the non-members. We developed the CARD Disaster Relief Assistance Program (CDRAP). We helped families in times of disaster by distributing relief goods and medicines from our sister institution, BotiCARD. We also conducted mass weddings and participated in health, livelihood, and education programs.

PURSUING COMPETENCE AND EXCELLENCE

CARD MBA continuously expands its operations through the establishment of provincial offices across the country and have already set up 49 provincial offices as of 2016. We also enhanced our existing Loan Redemption Fund (LRF) to LRF-PLUS, in which we added the Motor Vehicular Accident Hospitalization Benefit (MVAH) rider without requiring additional premium contribution. This would ensure the provision of benefits based on the amount of the member-borrower's loan in case of a motor vehicular accident.



May S. Dawat

General Manager
CARD Mutual Benefit Association, Inc.

An exciting year is ahead as CARD MBA explores new programs and territories. We will soon open provincial offices in Ilocos Norte, Davao Oriental, and Antique. Our institution will also conduct an exposure program for the Takaful Insurance which is intended for our Muslim members. In addition, we will continue our selection of health insurance providers as we also plan to cover the health insurance needs of our members.

In 2016, we increased our number of insured individuals to 12,262,672. We will continuously refuel our commitment to provide the 40 million insured individuals to CARD MRI's 5-8-40 strategy. CARD MBA will always strive to enhance and innovate its products and services to extend our impact to more socio-economically challenged Filipinos. CARD MBA will remain committed in empowering members into leaders as it transforms itself into a global leader in the microinsurance industry.

CARD MRI Development Institute (CMDI), a self-sustaining human resources development institute, was established as CARD's training center.

President Corazon Aquino conferred the People Power Award to CARD MRI.

2005



2007

CARD MRI Insurance Agency (CaMIA) Inc. was established after super typhoon Reming struck the Bicol region and left heavy damages in the province of Albay during the last month of 2006. It aims to provide life and non-life insurance products and services in real-time at the most affordable premium rate to client-members of CARD MRI and its affiliates.

CARD MRI assumed the ownership of Rural Bank of Sto. Tomas (Batangas), Inc. (RBST) on July 31.

CMIT launched the CARD e-system.

Towards a Relentless Service

CARD-MRI Development Institute, Inc. (CMDI) started as a small training center in Brgy. Tranca, Bay, Laguna that equips the staff, members, and other partner organizations of CARD, Inc. A second training unit was then established in Mindoro with the same purpose of providing leadership and enterprise trainings for its beneficiaries.

CMDI grew from a local training center in Bay into an academic institution with satellite offices in Pasay City, Baguio City, and Masbate. Our Tagum Campus also started offering Senior High School as an expansion of our academic programs in Mindanao.

Since its establishment, we have been equipping the staff with skills, knowledge, attitude, and the heart to be catalysts of change. As an institution built with the vision and mission in line with that of CARD MRI's, we continue to provide direct training for our members in terms of livelihood and enterprises.

SHAPING THE NATION-BUILDERS OF TOMORROW

Through the years, we addressed these challenges head on. We equipped our faculty members and staff through

continuous capacity building activities like seminars and workshops. It was also in 2016 when our trainers finally gained the Certificate in Microfinance Training Technology from TESDA, which made them eligible to share their knowledge as training providers in CMDI.

There was also an upgrade in our academe; we were able to blend our degree programs with focus on practitioner-led education, wherein we incorporate both theoretical and practical lessons. We started to grow in numbers as well; CARD MRI staff and the general public comprise our student population. As of now, we have 242 college students: 141 from our staff and 69 from the public. Our Senior High School is also an undeniable success, with 91 students from Bay Campus and 56 from Tagum Campus. They are all taking the ABM and TechVoc tracks.

ENDLESS POSSIBILITIES

In celebration of CARD MRI's 30th year of foundation, we envision greater things for our institution. In the years



Edzel A. Ramos
Institute Director
CARD-MRI Development Institute, Inc.

to come, we hope that CMDI will become a university specializing in courses and programs that will focus on poverty eradication. What makes it different from other schools is that the graduates will be the ones to continue CARD's mission. Our Center for Leadership will produce future leaders who will make their marks in nation building. Our graduates will not only be competent, but will be competent with a heart.

You can expect that we will always be here to provide capacity-building programs that are consistently aligned with our ultimate goal of eradicating poverty in the country. We look forward to another fruitful year as we expand our outreach and create a greater impact to our community through our programs.

Expanding Horizons



Wilfredo M. Llanto

President
CARD MRI Insurance Agency, Inc.

The poor, unlike those in the more privileged sector of society, are the most vulnerable in times of calamity. While CARD MBA acts as the primary safety net for microfinance clients, its benefits are limited by regulatory mandate, as it can only engage in three lines of business: health, accident and life insurance. The loss of property – which usually includes the loss of source of livelihood – are not protected under CARD MBA. Whenever such events occur, the setback to the poor is all the more magnified, making it difficult for them to pull themselves up from poverty.

Flashback to late 2006: Super Typhoon Reming ravaged the Bicol region, causing loss of lives and widespread destruction. While the calamity was unfortunate, it nevertheless spurred CARD MRI to think of another way to complement the insurance benefits already being provided for by CARD MBA. This realization set the stage for the establishment of CARD MRI

Insurance Agency (CaMIA), an institution envisioned by CARD MRI to provide affordable non-life insurance benefits – in real time – to client members of CARD MRI. In setting up CaMIA, CARD MRI also began to effectively address the non-life insurance requirements of the various institutions and affiliates under CARD MRI.

During the past several years, CaMIA has earned its rightful place in CARD MRI's mission of eradicating poverty in the country. To provide a more complete line of indemnity and protection products, CaMIA has entered into different partnerships with other providers.

SERVICE BEYOND BOUNDARIES

CaMIA, in partnership with CARD MBA and their joint venture partner Pioneer, has consistently raised the bar in delivering financial service and insurance products to client members. CaMIA's flagship products, SAGIP Plan and Kabuklod Plan, have both been well received.

Apart from selling property and casualty insurance, CaMIA, together with CARD MBA, has pilot tested the Memorial Assistance Program in Sto. Tomas and Tanauan, Batangas whereby a member can buy a burial plot in a memorial park at a more affordable price compared to

direct purchase from the memorial park developer. Complementing this program is a term life insurance product called Burial Assistance Plan that enables the bereaved family to pay for funeral expenses.

TAKING THE NEXT STEP

As another year unfolds, we will continue improving our products and services. We will expand the Burial Assistance Plan with the help of CARD MBA, and develop a better memorial assistance package that would lead to a standardized, decent, and affordable memorial and interment service. In addition, we will launch the Variable Unit Link Insurance (VUL), a product that provides both life insurance protection and the opportunity to benefit from higher investment returns.

We are planning to expand our horizons and to have cluster offices in Luzon, Visayas, and Mindanao. This is to hasten the processing of enrollments and claim settlements. We will continue looking for ways to improve product benefits, and make them more affordable. CaMIA has been, and will always be true to its promise to assist people in coping with uncertainties. We go beyond providing insurance by delivering genuine assistance to our clients. Amidst life's uncertainties, our clients can rest secure that CaMIA will always be right beside them.



2008

On February 18, CARD-BDSFI was officially and legally registered as **CARD-Business Development Service Foundation Inc. (CARD-BDSFI)** at the Securities and Exchange Commission.

CARD MRI bagged the Ramon Magsaysay Award for Public Service for the institution's continuous service to the Filipino people.

2010

CARD MRI Information Technology (CMIT) was registered with the Philippine Securities and Exchange Commission (SEC).

Transcending Boundaries

A portrait of Julius Adrian R. Alip, a man with glasses, a straw hat, a white shirt, a bow tie, and blue suspenders. He is smiling and holding a red geometric graphic.

Julius Adrian R. Alip

**President & CEO
CARD-Business Development Service
Foundation, Inc.**

Fueled by the ambition to employ a holistic approach in empowering Filipino families, CARD MRI continuously think of ways to reinvent ourselves by developing more services that can benefit our clients. In addition to the range of financial services that we provide, we try to deepen the depth of our impact by developing and improving our non-financial services as well. We give our utmost regard to our clients to whom we owe our drive and purpose enabling us to overcome limits and pursue greater opportunities towards development of better communities.

CARD-BDSFI is committed to provide a wide range of business development services to CARD MRI's clients including product development, business trainings, marketing assistance, value chain facilitation and introduction to new technologies among others to improve their income and standard of living. After registering CARD LFC and MLNI, we focused on more professionalized services

with purposeful interventions, creating double bottom or even triple bottom line impact. Our institution focused on product development and promotions that aimed to improve the products of CARD MRI's clients.

We also hired consultants who can help us in marketing, brand management, and quality control.

EXTENDING OUR REACH AND PARTNERSHIP

In 2016, we gave product development trainings to a total of 488 beneficiaries and provided market access to a total of 1,234 beneficiaries. We introduced MLNI products like dried fish, muscovado, coconut sugar, and handicrafts among others to selected big malls in the country like SM Supermarket, Kultura, RED LOGO, SaveMore, Robinsons, Liana's and LCC Mall. We also continued to facilitate export of selected products like coco jam, atchara and banana chips. Related to our market access efforts, we also assisted selected clients in processing their requirements for the Food and Drug Administration and continuously grow our communities' production facilities, particularly on muscovado, coco sugar, dried fish and indigenous raw materials for handicrafts.

CARD-BDSFI also invested and partnered with social enterprises that share the

common objective of assisting our clients in growing their livelihood and small businesses. Some of our investments/partnerships includes Rags 2 Riches (R2R) and Microventures, Inc.

PURSuing CARD MRI'S VISION

In 2017, CARD-BDSFI will continue to focus on selected replicable projects with high impact results for the clients and to develop more effective ways of delivering services for CARD-BDSFI. Some of the products that we will continue to expand through effective system transfer would be muscovado, coco sugar, dried fish, and handicrafts made of indigenous materials. In the years to come, CARD-BDSFI will continue to strive for competence and excellence, while putting the clients on top of its priorities. Through streamlining our activities, we will aim to touch the lives of more Filipino families by providing direct and indirect high impact interventions through partnerships with enterprises, whether mission-oriented ones or even lead firms that have the capacity to accommodate inclusive growth on a sustainable fashion. By continuously focusing on these strategies, we believe that our institution will deliver better services while upholding to the core values of CARD MRI.

Best for the Least

The advancement of information technology (IT) has contributed to the growth of leading companies in the recent years. CARD MRI acknowledges the importance of IT as one of the tools we need in order to grow as an institution and to provide better services for our clients. From a small unit that caters to the basic IT needs of our then starting financial institutions, we dreamed of crafting an online system with a centralized database that caters to the different IT needs of the whole CARD MRI. This dream led to the establishment of CARD MRI Information Technology, Inc.

CMIT was formally registered in 2010. Ever since, our institution has been committed to improving the lives of socioeconomically challenged families by providing technology solutions. We always think out of the box while adhering to global IT standards.

WHAT WE FOCUSED ON

We are always competitive in delivering superior services for CARD MRI. Our institution developed several programs based on the pressing needs we observed within CARD MRI. One is the Core Banking System (CBS), an integrated online system that allows bank transactions made from all CARD Bank branches nationwide to be posted on a single mainframe.

With CMIT's international partner,

Fortress Data Services (FDS), we successfully implemented CBS to CARD Bank, Inc.'s 60 branches with the primary goal of providing its clients with fast and convenient banking services and of developing new and improved products that will gratify our client's needs. The system went live on 5 September 2016.

The implementation of CBS also allowed us to open new opportunities for CARD Bank to provide an improved service to our clients. Konek2CARD, a mobile banking system that gives clients an access to banking services such as balance inquiry, withdrawals, and fund transfer through their smartphones, was initially launched in Candelaria, Quezon. Konek2CARD is the answer to our clients' need for a secure and easier mobile access to their finances. In 2017, the second phase of Konek2CARD will be launched to CARD MRI staff and members.

LOOKING FORWARD

CMIT will continue to provide proactive technology services to CARD MRI. In 2017, we will have 18 new projects and eight enhancements of previously launched projects. We already started the Business Process Reengineering to align all the processes to provide the needs and requirements of CARD MRI. The Human Capital Information System (HCIS) that



Raul S. Dizon

President & CEO
CARD MRI Information
Technology, Inc.

enables the Human Resource Unit of CARD MRI to have a singular view of each staff from their entry to their retirement already went live. By 2017, we will be launching the second phase of HCIS that can be utilized by all staff. We will also continue to enhance the IP Security Management Framework (IPSMF) for the protection of our data.

In compliance with the regulatory requirements of Bangko Sentral ng Pilipinas (BSP), CMIT will also assist CARD Bank, Inc. in the implementation of EMV, a technical standard for ATMs that store a user's data in an integrated circuit, by 2017. This will enable our network and structure to become more secured especially from fraud.

With high hopes of offering excellence in everything we do, rest assured that we will always strive to provide the best service possible for our clients. CMIT's heart beats not only for CARD MRI but also for every CARD MRI member who is our partner for change and development.

On July 25, RBST started operating under its new name, **CARD SME Bank, Inc.**, after the opening of its new head office in San Pablo City, Laguna, retaining Sto. Tomas, Batangas as one of its branches.

BotiCARD Inc. was conceptualized in February 2011 as an offshoot from the Microfinance and Health Protection (MaHP) Program of CARD MRI. This is the result of finding the best strategy to provide affordable, safe, and quality medicines for CARD clients and staff. It has been formally registered to the Securities and Exchange Commission in May 2011. The first branch was opened in Sampaloc, Manila in July 2011 while the second branch in San Pablo, Laguna in October 2011.

2011



2012

CARD MRI revised its vision from becoming a global leader in microfinance industry to a world-class leader in microfinance and community-based social development for socioeconomically challenged women.

To consolidate CARD MRI's education, health, communication, and other special projects, the community development group was formed.

On October 11, the CARD MRI Group and the Suarez family had a formal signing to signify the official sale of **Rizal Bank, Inc.** (formerly: Rizal Rural Bank, (Taytay, Rizal) Inc.) to the CARD MRI Group.

On November 14, Dr. Alip became one of the recipients of Vietnam's Friendship Order given by Thin Thuong One-Member Limited Liability Microfinance Institution (TYM), one of the leading microfinance institutions in Vietnam.

Road less Travelled

Good health is central to every person's happiness and well-being. There's a well-understood correlation that as the health of citizens improve, the country's economic condition also progresses. Healthier people translate to a more effective and productive workforce. This is how a vibrant nation looks like.

Nevertheless, health presents several challenges to all nations. In poverty-stricken areas, accessibility and cost are two major factors that hinder citizens to prioritize their health. Without effective public health systems, promoting wellness, preventing diseases, and providing care for the ill are left ignored. On the other hand, CARD MRI believes that health is one of the key factors in achieving a zero poverty country. We offer Microfinance and Health Protection (MaHP), a program that provides access to healthcare and transforms the way health services are delivered. Through this, we realized another important need among families and communities: access to quality and affordable medicines. This gave birth to BotiCARD Inc. which was coined from the words *botika*, which means pharmacy, and CARD. It was formally registered to the Securities and Exchange Commission in May 2011.

We opened our first branch in Sampaloc, Manila in July 2011 and our second branch in San Pablo, Laguna in October 2011.

MOVING BEYOND THE COUNTER

With the clients' health at the center of our operations, BotiCARD Inc. is very unique compared to pharmacies. We always aim to give superior service to our clients. In fact, we give 20% discount to generic medicines for CARD members and their dependents.

Furthermore, we offer a personalized service to our customers by offering over-the-counter consultation and free health advice in our branches. We even went "beyond-the-counter" by participating in Community Health Days (CHD), and attending center meetings to discuss health-related topics and integrate health advice sessions for further inquiries of CARD members about medicines.

CHANGING TIDES

True to the CARD MRI spirit, we rose amidst the changing tides. To solidify our brand, we came up with a strong and sustainable marketing strategy. We encouraged CARD members to patronize



Rosenda P. Aquino, RPh

President
BotiCARD Inc.

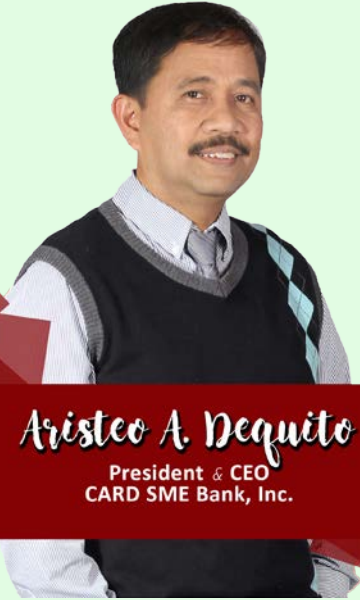
BotiCARD and we became more strategic by placing our pharmacies to where CARD operates. Moreover, during CHDs we go with the doctors to show our clients that we are always willing to go the extra mile.

A VIBRANT NATION

We are modifying our operations and doing our best to ensure that we will be ready for the future. The institution will guarantee that we are better and stronger when we open a new branch. Likewise, we will continue to work with our clients to make sure that the best health services are accessible and affordable for them.

We took the road less travelled by other pharmacies because at the heart of BotiCARD Inc. is the willingness to serve, making sure that the Philippines will become a vibrant nation with happy and productive families and communities.

Delivering a Promise



Aristeo A. Dequito

President & CEO
CARD SME Bank, Inc.

Looking back, when the former Rural Bank of Sto. Tomas (RBST) was set against the backdrop of economic headwinds and market volatility, its owners decided to sell majority of its shares of stocks to CARD MRI. It was July 2007 when CARD assumed full ownership of RBST and implemented comprehensive actions that would result to long-term competitive advantage. In 2011, the Bangko Sentral ng Pilipinas (BSP) approved the motion for CARD SME Bank to be classified as a thrift bank.

CARD SME Bank's strategic objective was to transform the "graduating microentrepreneurs" of CARD, Inc. and CARD Bank, Inc. into SMEs (small and medium enterprises) and provide a platform for these clients whose businesses are growing and to bring them to the next level of banking service. With RBST's microfinance operations as our anchor and a new strategic objective as our direction, we have integrated CARD MRI's mission to alleviate poverty and build a stronger nation.

CREATING A STRONG BRAND

With the addition of five branches strategically located in various provinces in the country,

2016 was a year of building a strong brand. Through these branches, we make our products and services easily accessible to those who need them the most.

One of the successful activities we had this year to bring our products and services closer to our clients is "The Negosyo Talk Series" or TNTS. It is a series of business fora we hold quarterly wherein we invite entrepreneurs as resource speakers to share their experiences, knowledge, and expertise in their respective business fields as well as to provide inspiration among our clients. We also invite subject matter experts from various government agencies like DTI and non-government organizations like Philippine Center for Entrepreneurship under its flagship program, Go-Negosyo to provide technical knowledge in managing businesses. In 2015, we brought TNTS to Hong Kong encouraging the OFWs to start their own business in preparation when they go back here and stay for good. We plan to do this every year in other countries where there are OFWs.

Major activities were also done in 2016 such as the streamlining of internal processes to provide accurate and timely response to clients, realignment of officers and staff members assignment as well as sending them to various capacity-building trainings. All these activities are geared towards strengthening our SME lending operations.

PREPARING THE FUTURE ENTREPRENEURS

For the past 30 years, CARD MRI has been successful in its pursuit to help the marginalized attain self-advancement and community development. CARD SME Bank, though still in its infancy, has accepted its part and took the responsibilities brought about by this pursuit. We intend to continue the path CARD MRI by leveraging on our strengths and available resources to fully support SMEs.

As part of our continuing efforts to support SMEs, one of our short-term plans is to establish an SME Academy. In collaboration with our very own CARD-MRI Development Institute (CMDI), this academy will offer business related degree courses focusing on entrepreneurship and management. We are very excited in this program and looking forward to sharing our knowledge and expertise in business management as well as in SME banking. Through the implementation of this endeavor, we aim to produce innovative and creative entrepreneurs in the future.

The clients, being at the center of our operations, have always been our motivation. The services we offer are based on their ever-evolving needs. Our business is structured to help us serve our clients better. The heart of CARD SME Bank is aligned with the culture and values of CARD MRI; with commitment, proper education, and genuine service, we can go further and provide better value for the people we serve.

Climbing the way to Success

In line with CARD MRI's mission to eradicate poverty, RBI also helps uplift the lives of its clients. We do not just render our products and services for the institution but for our members as well; as a bank, it is also our concern to contribute to the welfare of our members especially of those who are below the poverty line.

We make sure that RBI embodies the value that CARD MRI gives to its workforce. CARD, Inc.'s staff who transferred to us got the opportunity to become bankers. They were given trainings and workshops to be promoted. This is how we exhibit the family spirit that we promote in CARD MRI.

From a single branch in Taytay way back in 2013, we are very pleased to state that as of December 2016, we have already put up 10 branches nationwide. RBI's offices are now expanding, and together with the services we offer, we get to reach a wider audience. We are able to inspire Filipino families and their children. Through RBI, we empowered women in exploring different livelihood activities.

GOING BEYOND LIMITS

Our ideals are designed to create impact

among our members and their communities. As we do our job, we also produce countless opportunities for the people in need. RBI was able to give way to wider channels in helping the unbanked Filipino families. Banking and savings system was introduced to them, so as livelihood programs that could assist them in earning money.

As 2017 approaches, we have a lot in store for RBI. More projects and services will be launched in 2017. First is the Core Banking System wherein data from all 10 branches will be centralized and will be accessible for the members. Through this, they can avail products and services in any branch near them. The use of checking accounts will also be used this year as an addition to our savings product. As we want to help our members reach out to their families, we will also start the remittance programs that will allow them to send money and services to other branches. RBI branches will also begin to accept Social Security Payments to increase the services that we can offer to clients and non-clients.

As we aim for greater things in the years to come, always expect innovation and

A portrait of Elma B. Valenzuela, President & CEO of Rizal Bank, Inc. She is a woman with dark hair, wearing a black lace top and a necklace, smiling at the camera. The portrait is set against a white background with a red geometric shape behind it.

Elma B. Valenzuela

**President & CEO
Rizal Bank, Inc.**

steadfast service from CARD MRI and RBI. We will continue to give our helping hand to our members and provide them with what they need—like what we always do. RBI was born to serve as an instrument of change and progress for its members.

For our staff and bankers, the future of the institution also lies in your hands. Utmost service and the heart for the marginalized—you must always carry these with you for they will bring us to a more fruitful partnership with our members. Bear in mind that your hardwork is necessary in nation building and in inspiring others.

Let us witness how the institution will soar in the years to come. RBI came from a modest start but we grew strong through the years. As a bank, monetary matters should come first but in RBI, we do not just earn, we serve with a deeper purpose.



On January 25, Bangko Sentral ng Pilipinas officially approved the 100% ownership transfer of Rizal Bank, Inc. to the CARD MRI Group through Monetary Board Resolution 155, the transfer of RBI's head office to Sta. Cruz, Laguna, and the establishment of additional three branches and ten micro-banking offices.

By adapting CARD-BDSFI's printing, supplies sourcing, and pilot projects related to leasing and financing, **CARD Leasing and Finance Corporation (CARD LFC)** was born and formally registered on January 10, under the Security and Exchange Commission (SEC) Philippines.

During the Bangko Sentral ng Pilipinas' 10th Awards Ceremony and Appreciation Lunch, CARD Bank, Inc. became a Hall of Fame awardee for the category "Financial Inclusion" after being the Financial Inclusion Champion for three consecutive years. Meanwhile, the CARD SME Bank, Inc., received the second place award also for the Financial Inclusion category.

2013

2014

Mga Likha ni Inay (MLNI) evolved from a marketing program of CARD-Business Development Service Foundation, Inc. On August 2014, it became a separate entity and was known as the 14th institution of CARD MRI.

CARD Pioneer Microinsurance Inc. was established as a result of a good partnership between CARD and Pioneer Life Inc.'s microinsurance line.

Responsible Investments for Solidarity & Empowerment (RISE) Financing Company, Inc. became solely owned by CARD MRI.

Realizing Untapped Potentials

As the eleventh member institution to become part of the CARD MRI group, we consider the establishment of the CARD Leasing and Finance Corporation (CARD LFC) as one of the biggest accomplishments of the CARD- Business Development Services Foundation (CARD-BDSFI). CARD LFC served as the big step of CARD MRI towards realizing the untapped potentials of the economy through leasing and financing services. From our initial focus on the energy poverty agenda, we diversified our range into operating lease, financing, and printing services which served as our secondary business. By adapting CARD-BDSFI's printing, supplies sourcing and pilot projects related to leasing and financing, CARD LFC was formally registered as a separate institution in January 2013 at the Security and Exchange Commission. As a separate institution, we strived to explore different approaches that will allow us to set our identity as a leasing and financing company.

STAYING AHEAD OF THE CURVE

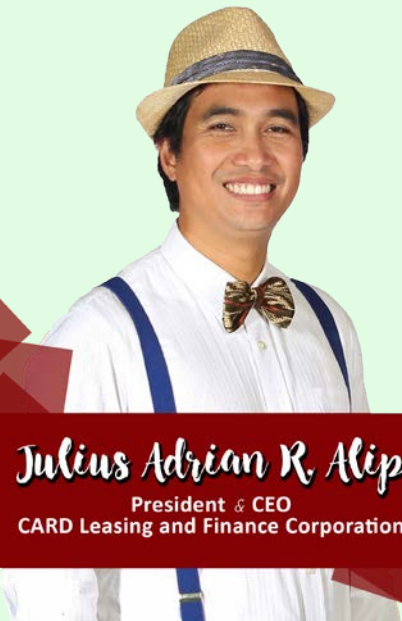
The birth of CARD LFC enabled us to support the operations of CARD MRI through a variety of professionalized products and services at affordable costs. We provided finance lease to the CARD MRI staff and selected clients to help in the expansion of their businesses. We

also provided operating lease and rental services of vehicles and office equipment, and gave affordable printing services to our clients.

In 2014, CARD LFC embraced the principles of a for-profit but mission-oriented financial institution. We explored several approaches that led to the continuous refinement of our products and services. Furthermore, CARD LFC offered its services to other small and medium enterprises, cooperatives, social enterprises and microfinance institutions. With our refined products and services, we were able to provide assistance to more mission-oriented institutions like us while acquiring financial sustainability, enabling us to develop more projects and engagements that would create more developmental impacts.

BUILDING OPPORTUNITIES

CARD LFC continued to support and grow its outreach related to the rural electrification and climate change agenda of the country by providing far-flung areas and other urban communities with access to renewable energy products through financing MSMEs and Mission-Oriented Enterprises. We were able to contribute on the fight against energy poverty while optimizing opportunities

A portrait of Julius Adrian R. Alip, President & CEO of CARD Leasing and Finance Corporation. He is a smiling man with dark hair, wearing a light-colored shirt, a patterned bow tie, and a straw hat with a dark band. The background is a solid light green.

Julius Adrian R. Alip
President & CEO
CARD Leasing and Finance Corporation

to support the livelihood and businesses of our MSME clients. Our institution also financed social enterprises that provided communities with access to safe drinking water, solar irrigation, and integration of producers in the value chain resulting to market access.

Under our printing services – our secondary business, we will continue to provide basic materials needed by microfinance institutions like ledgers, passbooks, and marketing collaterals, and are now planning to print cost-effective labels and marketing collaterals applicable to micro-businesses.

As the demand for secure and reliable financial services continues to grow, CARD LFC will strive for product innovation and effective execution. We will remain committed to help our clients boost their income and productivity through the provision of access to high quality but affordable leasing and financing services across different selected sectors in the society.

Leader of Choice



Gerie G. Lande

President & CEO
CARD Pioneer Microinsurance, Inc.

CARD Pioneer Microinsurance, Inc. (CPMI) is the first non-life insurance company in the country created to streamline product development and provide relevant and pro-poor insurance products.

It is a partnership of two Filipino trailblazing companies: CARD Mutually Reinforcing Institutions (CARD MRI), which aims to transform economically-challenged families into responsible citizens; and PIONEER, which, since 1954, continues to chart insurance milestones in the country.

Formed in October 2013 and fully operational by January 2014, CPMI's goal is to address the calamity, agriculture, income loss, and other non-life insurance needs of the marginalized market.

CUSTOMIZED PRODUCTS

CPMI's product benefits are customized, making it relevant to the

needs of its customers. Its core products: SAGIP Plan covers the individual or family; Kabuklod Plan caters groups; while CARD Care addresses income loss. Moreover, it is the sole private institution in the Philippines offering crop insurance for rice and corn farmers.

CPMI's workforce ensures to immerse themselves in the market to better understand and develop products specifically intended to cater customer's needs.

NEW HEIGHTS

Through innovation and hardwork of its staff and members, CPMI harvested fruits of its labor. Undeniably, 2016 became its best year in terms of premiums and income generated from businesses.

CPMI leaped from 69th place in 2013 to 32nd place in 2016 in non-life insurance standing based on gross premiums written in the Insurance Commission. As a young institution in the market, this is no small feat for CPMI.

Hence, taking it to the next level entails CPMI anticipating challenges and being

proactive in adapting to changes.

CUSTOMER CENTRICITY

At the core of the institution are the customers. CPMI seeks to induce positive customer experience and feedback from partners and clients. Hence, innovating products with value proposition remains imperative for customer satisfaction and retention.

To better serve the customers, CPMI has Voice of the Customer which aims to devise a two-way platform for customer feedback and create a benchmark to monitor the institution's efficiency in serving the customers.

Moreover, pain points in the processes are to be identified and addressed to improve CPMI's services.

MORE DOORS OF POSSIBILITIES

In just a span of three years, CPMI was able to play a dominant role in the non-life microinsurance market. Indeed, it is challenging to maintain leadership position, but with continuous innovation, product development, and customer centricity, CPMI is optimistic to be the customers' choice in the industry.

Rising with Purpose

Upholding its vision of pursuing social justice, solidarity, and empowerment, the Responsible Investments for Solidarity and Empowerment (RISE) Financing Company, Inc., has been inclined to serve sectors that needed assistance the most. The institution started its operations in 2000 as CARD, Inc. joined hands with the Catholic Relief Services (CRS) in providing support in the form of financial assistance to its conduits, who are mostly microfinance institutions. Since then, RISE further envisioned to become an instrument in nation-building. In 2014, it became the 13th addition to the growing family of CARD MRI and ventured into financial and operating lease and lending services in response to the financial needs of its clients.

TAKING A STEP AHEAD

RISE believes in the continuous innovation and creativity to face challenges ahead. The institution continued the initiative of CRS in providing financial assistance to several microfinance institutions. Nonetheless, with the presence of other existing players that focused on the same initiative, we decided to dig deeper and developed strategies that would allow us

to extend our reach and raise the value of our services. In 2010, as we saw the demand of schools to be a step ahead in enhancing literacy development through technology, we decided to venture into leasing services focused on educational institutions. We committed to focus, but did not limit our scope, in supporting educational institutions in terms of facility and technological improvement. We strived to build enduring relationships with our clients and provided efficient after-sales service and personalized customer care. Aside from providing financial and operating lease, we also ventured into wholesale loans, through which we provided monetary loans instead of technological resources at affordable costs to other mission-oriented institutions like cooperatives, rural banks, and church-based organizations. Also, we offered our services to other organizations and individuals who needed equipment and properties that will help them improve their productivity and profitability.

RAISING THE VALUE OF OUR SERVICE

In 2016, we supported more schools and



Jocelyn D. Dequito

**President
Responsible Investments for Solidarity and
Empowerment (RISE) Financing Company, Inc.**

universities that needed assistance in starting e-learning technology. Also, we were able to provide further assistance to schools that we have previously partnered with as they continued to upgrade their learning facilities. As of 2016, we were able to serve 12 institutions and increase the students we have served from 1,695 to 2,800.

An exciting year is ahead of us as we will remain committed in establishing good partnerships with different accredited organizations and in refining our services to fit our clients' needs. We will pursue to strengthen our efforts in promoting high quality education by opening our doors to more schools and universities that share the same goal as ours. Our institution will continue to deliver value to our clients and operate on a framework of shared integrity by leveraging our cost-effective and personalized brand of service.

Growing in Excellence

A portrait of Julius Adrian R. Alip, President & CEO of Mga Likha ni Inay. He is a man with glasses, wearing a straw hat, a white shirt, a bow tie, and blue suspenders. He is smiling and holding a red geometric shape.

Julius Adrian R. Alip

President & CEO
Mga Likha ni Inay

Mga Likha ni Inay (MLNI), the 14th and so far the most recent addition to the growing CARD MRI family, is a dream realized in response to the growing needs of its microentrepreneur clients. The concept of MLNI had evolved from a brand and a marketing program created by CARD-Business Development Services Foundation (CARD-BDSFI), in its aim to develop more interventions that would assist the clients in their livelihood and business activities. MLNI served as the institution's means to provide product development, promotions, and market access for microproducers.

In August 2014, MLNI, which began as a marketing program under CARD-BDSFI was registered as a separate institution. Aligned with CARD MRI's goal to eradicate poverty, we carried the mission to respond to our microentrepreneur clients' needs in terms of promoting, developing and expanding their business activities.

BRIDGING OUR CLIENTS' CRAFTS WITH OPPORTUNITIES

Before being established as a separate institution, MLNI was already making its own name as a brand and was making an exceptional mark in promoting our clients' products. In 2012, we started coordinating fashion shows that highlighted our clients' artistry and craftsmanship. This initiative served as one of the big steps of CARD MRI in widening the opportunities of our clients in selling their products and increasing their income.

MLNI believes that providing market access for our microentrepreneurs and small producers results to a more inclusive growth and sustainable livelihood for them. With this in mind, we committed to reaching out to local artisans and developing ways to link our microentrepreneur clients to the mainstream market. We established retail stores to make our clients' products available to more buyers and introduced the local food products of MLNI through our distribution outlets in selected supermarkets of SM, Robinson's, Liana's and LCC. Through the product development services of CARD-BDSFI, we also helped our clients improve their products by providing them with capacity-building trainings on

product development, packaging, and compliance to regulatory requirements.

STRENGTHENING OUR IMPACT

This year, CARD MRI, launched its very first arts event in Makati. In this event, we were able to feature fashion creations made from indigenous materials like T'nalak and Lumban fabrics produced by our clients. We also held our 3rd MLNI Summit for micro, small, and medium enterprises in Cagayan de Oro, aimed to equip our micro and small entrepreneurs with knowledge and management skills that would enable them to grow their enterprises. Aside from showcasing the products of our members, the said event provided a venue for small and microentrepreneurs to network with one another.

In the years to come, MLNI will continue to scale up its operations and impact while still putting its clients on top of its priorities. We will continuously work on our retailing and wholesale business and expand the variety of products we will cater. As a growing institution, we will strive to become a partner of our small and microentrepreneurs who are dedicated in growing their businesses. We will heed the call for maximizing the opportunities that would result to a sustained livelihood and an inclusive growth to our clients.



CARD Banking Group became a six-time BSP Outstanding Financial Inclusion Awardee.

CARD Leasing and Finance Corporation (CARD LFC), joined the top finance and leasing companies in the Philippines.

President Benigno S. Aquino III, Senator Bam Aquino, government leaders, and CARD management, staff, and members joined the year-long celebration of CARD's 30th anniversary in Bay, Laguna. The anniversary commemorated the steadfast support of CARD MRI's most treasured clients, dedicated staff and leaders, partners and stakeholders, and the supportive government and other regulatory bodies.

2016

2015

CARD MRI received top awards for PAG-IBIG Fund campaign on upgrading savings.

Firm Foundations

As CARD MRI redefined its vision and mission statement, the Community Development Group (ComDev) was formed in 2012. ComDev aims to give a balance between CARD MRI's financial and non-financial services through its various programs for health and wellness, education, local and international partnerships, recognition of staff and members, and social awareness about CARD MRI activities. Different services were offered; tailored fit to the needs of the members.

BRIDGING THE GAP

The Resource Mobilization Unit (RMU) is breaking the cycle of poverty through educational projects that we offer. RMU started as an extension of the Managing Director's Office. We prepare, negotiate, and finalize project proposals for external funding of the different CARD MRI institutions. We also mobilize, develop, and maintain relations for both local and international partner institutions. Currently, we are divided into four functions: the Resource Mobilization, which scouts for partner institutions; the Technical Partnership, which mentors other microfinance

organizations; the Education Program, comprising of projects that support the educational needs of our clients and of their children; and the International Group, which manages our international projects and partnerships.

In 2016, we re-evaluated our strategies that led us to base our staff in regional offices so that we can further advance our programs to the communities. Our technical partnerships has enabled us to promote microfinance to the cooperative industry. By providing them with technical assistance, they are able to professionalize their microfinance operations.

This year also brought big changes to RMU. As we rationalize our programs, the International Group was added to our unit since we are offering the same programs with them, only differing in the geographical scope of our beneficiaries.

With regards to our Education Program, it is not new to us that many students cannot go to school because of poverty. In answer to this, we offer several services that could help students to continue their schooling. We envision that no student will be

a school dropout regardless of their social standing. One service that we offer is the CARD Scholarship Program (CSP). We already have more than 3,500 graduated scholars and are currently supporting more than 3,000 scholars nationwide. We have also raised the bar by offering the CSP2, wherein we get our scholars from the bottom poor. The CSP2 scholars still take the qualifying exam and they will be eligible according to the economic criteria that we have set. Another service is the Zero Dropout Program, an educational loan facility for elementary students. We started this facility in 2011 and presently, we have more than 380,000 student beneficiaries.

For the next years, we are excited to have more scholars and beneficiaries until such time that we are able to contribute significantly in poverty eradication through education. We

A portrait of Marilyn M. Manila, a woman with dark hair, smiling, wearing a dark vest over a light-colored striped shirt. The portrait is partially overlaid by a red geometric graphic on the left and a red banner on the right.

Marilyn M. Manila

Director
Community Development Group,
CARD MRI

are also looking towards developing a “Study Now, Pay Later” type of educational facility. We will continue to work hand in hand with our different partner institutions locally and internationally. Our goal is directed towards investing in the future generation until we break the cycle of poverty through education.

HEALTH SERVICES WITH COMPASSION

The Microfinance and Health Protection (MaHP) Program started in 2007. MaHP is a global health initiative led by the Freedom from Hunger. The first project that we launched was the Preferred Provider Program (PPP) - a partnership with health services providers who provide discounted services to CARD members and their dependents. We started with seven doctors and as of today we have more than 600 partner providers all over the country. After the PPP, we observed the members’ needs in terms of hospitalization. This resulted to our partnership with PhilHealth. Another project is the Community Clinic, wherein the doctors and nurses visit different communities which usually do not have access to medical services. In addition, the Community Health Day (CHD) where we bring allied medical services coupled with health education closer to the communities was conducted. These CHDs are scheduled nationwide throughout the year. The schedules are done according to availability and accessibility of medical services in an area.

FILL IN THE NEEDS

Special Projects is a special unit of Community Development Group. We are not boxed to specific tasks; rather, we fill in the needs of CARD MRI by taking on projects that are new and innovative.

We handle the “Pagkilala sa mga Likha ni Inay”. It is the fifth year of recognizing the hard work and entrepreneurial skills of our members.

We also handle the “Natatanging Kawani Awards” where we recognize our excellent account officers and admin/support staff nationwide. With this simple recognition we give to our staff, we are rewarded with even more efficient and excellent performance in serving our clients. This has brought us to come up with Natatanging Kawani Awards for unit managers, area managers, and regional directors, which we will be introducing next year.

In addition, we have the Bottle Drive Project that encourages the CARD MRI community in San Pablo, Laguna to donate their bottles for a great cause. Used plastic bottles donated by staff and clients were sold and donated to the Zero Dropout Project.

We also handled different CARD MRI events in support of the different CARD MRI institutions such as the Mga Likha Ni Inay arts events and the Mga Likha Ni Inay summits.

NEW WAYS TO COMMUNICATE

The Corporate Communications Unit continues to employ different platforms in disseminating development-oriented information across our clients. In 2016, we were able to save more than 9.4 million in paid advertising. We were also able to bring different news up to the community level by publishing our



official newspaper, **“Sulong: Ang Pahayagang Pangkaunlaran”**. In 2017, we are hoping to make Sulong available also for the public.

We also continued offering heritage tours through our Hijos Program in San Pablo, Laguna, and in Samar/Leyte. This tour program paved the way for us to develop the first local history book called, *“History of San Pablo: Reviewed, Rewritten, and Retold”*. This book tells the rich and unique history of San Pablo.

We used to shy away from broadcasting our accomplishments but living in a fast-paced world dared us to see the importance of going online. We then gave an effort in providing updates and news through our official Facebook page. We found out that using a social media platform can be an effective way of reaching our clients and partners when our official Facebook page gained more than 8,000 followers in just one year.

Our Facebook page became an avenue not only to keep our followers updated from our activities and programs, but also to attract possible applicants and to mobilize people to support our activities and events. In addition, clients can easily give feedback to the services we offer through this page.

The Corporate Communications Unit will keep on finding innovative ways to better reach our clients. As we move forward to achieving our goals of poverty eradication, we will continuously support CARD MRI in the best way we can.

HEADS UP

The Community Development Group is growing simultaneously with CARD MRI. We see development in a holistic perspective; thus, alongside our financial growth we will continue to develop and implement more impact-generating programs for our clients, to their families, and their communities.



The Community Development Group in numbers

Resource Mobilization Unit (RMU)



EDUCATIONAL
SCHOLARSHIPS

8,141

GRADUATED
SCHOLARS

3,356

ZERO DROPOUT
BENEFECIARIES

380,339

NATATANGING KAWANI



ACCOUNT OFFICER CATEGORY

GOLD **CECIL FABURADA** Rizal Bank, Inc.
SILVER **MADONNA PONCE** CARD SME Bank, Inc.
BRONZE **ANNABELL TANGKOY** CARD Bank, Inc.

ADMIN/SUPPORT STAFF CATEGORY

GOLD **GEMESSEL LADAGA** CARD, Inc.

2016 INSTITUTIONAL WINNERS

CARD, Inc.	DIONICIO CABALZA	Gattaran 1
CARD BANK, Inc.	ANNABELL TANGKOY	Matina 1
CARD SME BANK, Inc.	MADONNA PONCE	Lipa 5B
RIZAL BANK, Inc.	CECIL FABURADA	Dumaguete

Microfinance and Health Protection (MaHP) Program

CLINIC VISITS

232,008



COMMUNITY HEALTH
DAY (CHD) CONDUCTED

377

PREFERRED PROVIDER
PROGRAM (PPP) PARTNERS

611

PAGKILALA SA MGA

Likha Ni Inay (PSMLNI) Awards 2016



Gawad Maunlad
National Winner
Gawad Maunlad
(CARD, Inc.)

Mera Flor Dumalaoron

Gawad Maunlad
(CARD Bank, Inc.)
Wilma Pillejera

Gawad Maunlad
(CARD SME Bank, Inc.)
Anita Aranda

Gawad Maunlad
(Rizal Bank, Inc.)
Ma. Christy Panisa

Gawad Masigasig
(Special Award)
Rosalyn Espenorio

Gawad Malikhain
(Special Award)
Carmelita Dapanas

Corporate Communications



94 MEDIA
PARTNERS

Save more than
9.25 million
in advertising



ENGAGEMENT POINTS
(likes, comments and shares)

500,733 points

As of December
8,235 followers



HIJOS TOURS
CONDUCTED **32**
(San Pablo & Visayas)

HIJOS RATING

San Pablo	Visayas
94.31%	90.50%

Keeping Up and Moving Forward



Deverna dT. Briones

Senior Director
Support Group, CARD, Inc.

As CARD MRI's Support Group, we should ensure that administrative support is provided among the institutions. Comprised of different support units, we see to it that the institutions handle their operations according to the procedures and policies of CARD.

The support system has two functions. First, is the oversight function wherein we ensure that the policies and processes are always consistent among institutions. Next, is the direct function, this takes place when we achieve common understanding among these institutions and in exhibiting efficiency in terms of operations between the heads and their staff.

WORKING AS ONE

With the main role of translating policies from one institution to another, the Support Group is also concerned in intensifying the performances and participation of all the institutions so that they can work well together.

Each of the support units has a specific

function. The Human Resource or HR Support deals with the employees' concerns. It ensures that policies in terms of culture, privileges, and opportunities are consistent across all institutions, and that fair decisions are made for all employees.

Meanwhile, the organization and administration provides support in expansion particularly in transitioning CARD, Inc. units to our banking groups. They are also in-charge of protecting the assets and resources such as physical properties, vehicles, and equipment of the organization.

The Legal and Security provides requirements for security services and ensure that the institutions comply with CARD MRI's regulatory bodies.

Next, is the Corporate Legal that processes all corporate requirements of CARD MRI. This office takes charge of the legalities in terms of expansions, acquisitions, and articles of incorporation.

The Research Unit serves as the voice of our staff and clients. They

brainstorm ideas, gather information, and process them. The processed data will be sent to the management for further analysis. They can also use these data to locate areas for strength and improvement.

EQUIPPING OUR VERY OWN

This 2017, CARD's Support Group will be active in coming up with new plans. One is the concept of strengthening our internal hiring. Through this, employees can have wider career opportunities across institutions. Equal opportunities will be given to all staff, provided that the qualifications are met.

It is also the Support Group's task to equip new leaders of CARD MRI as a part of the Succession Plan. Promotions and new jobs will be observed and we will surely support the transfer of leadership.

KEEPING UP WITH THE TREND

Technological advancement is becoming a necessity in the industry and is something that we should embrace. With a more versatile technological support, operations would be more efficient and a larger scope of business processes could also

be addressed. We can also maximize the use of technology and incorporate it to our project management, asset acquisition, and project development. The Support Group's role has always been dedicated for the institutions' improvement with regard to their policies. Their policies are also crafted to boost their capabilities as well.

Challenges came and hindered us in developing our capabilities but this was not a reason for us to give up. We still have a lot to face but together with CARD MRI, its institutions, and our staff as strongholds, we believe that we will be able to provide more valuable and worthwhile support services.







The Executive Committee, Institutional Heads and Advisors

DR. JAIME ARISTOTLE B. ALIP

Founder and Managing Director

MS. FLORDELIZA L. SARMIENTO

Deputy Managing Director, CARD MRI

MS. LORENZA DT. BAÑEZ

Executive Vice President, CARD Bank

MS. JOCELYN D. DEQUITO

Executive Director-OIC, CARD, Inc.
President, RISE Financing Company

MR. EDGAR V. CAUYAN

Senior Vice President for IT, CARD Bank

DR. EDZEL A. RAMOS

Institute Director/Dean, CMDI

MS. LYNETH L. DEREQUITO

Senior Vice President for Compliance, CARD Bank

MS. DEVERNA DT. BRIONES

Senior Director for Support Group, CARD MRI

MS. MAY S. DAWAT

General Manager, CARD MBA

MR. JULIUS ADRIAN R. ALIP

President, CARD-BDSFI, CLFC, MLNI

MR. ROSELITO A. MAGPANTAY

General Manager, CaMIA

MS. LAARNE D. PAJE

Assistant Vice President for Audit, CARD Bank

MR. VENER S. ABELLERA

Vice President, CPMI

MS. MARIVIC M. AUSTRIA

President/CEO, CARD Bank

MS. LOURDES B. DIJAN

Senior Vice President for Finance, CARD Bank

MS. ELMA B. VALENZUELA

President/CEO, RBI

MR. ARISTEO A. DEQUITO

President/CEO, CARD SME Bank

MS. CYNTHIA B. BALDEO

Executive Vice President, CARD SME Bank

MR. RAUL S. DIZON

President/CEO, CMIT

MS. MARILYN M. MANILA

Com Dev Director, CARD MRI

MR. WILFREDO M. LLANTO

CaMIA President

MS. ROSENDA P. AQUINO

President, BotiCARD

DR. DOLORES M. TORRES

Senior Management Adviser

MS. MARY JANE A. PERRERAS

Senior Adviser, CARD SME Bank

DR. ENRIQUE S. NAVARRO

Senior Adviser, CMDI



As the founding members, the Family Council ensures that the next generation of leaders are strongly aligned with CARD MRI's ultimate goal to eradicate poverty and uplift the lives of the poor. The main goal is to acquaint the future frontrunners with CARD MRI's mission and vision and to make sure that they will always bear with them the true heart of service for the welfare of our dear members and clients.

MEMBERS

Dr. Jaime Aristotle B. Alip
Founder and Managing
Director

Dr. Dolores M. Torres
Senior Management Adviser

Ms. Flordeliza L. Sarmiento
Deputy Managing Director

Ms. Deverna dT. Briones
Senior Director
Support Group

ADVISER

Prof. Takayoshi Amenomori

LEGAL COUNSEL

Atty. Edgardo R. Marilim

OBSERVER

Ms. Lorenza dT. Bañez
Executive Vice President,
CARD Bank, Inc.





Management Committee

CARD MRI

Dr. Jaime Aristotle B. Alip, Founder and Managing Director
Ms. Flordeliza L. Sarmiento, Deputy Managing Director
Ms. Deverna dT. Briones, Senior Director for Support Group
Ms. Marilyn M. Manila, Director for Community Development Group
Atty. Anatalia F. Buenaventura, Director for Corporate Legal
Ms. Rosafe M. Matunan, Human Resource Director
Ms. Evelyn Teodora M. Narvaez, Research Director
Ms. Jean Pauline B. Landicho, Acting Director for RMU and IG
Mr. Gerardo R. Garcia, DD for CARD MRI Property Holdings
Ms. Lourdes A. Medina, DD for Academic Research and Publication
Ms. Billie Jean C. Consignado, Deputy Director for Audit
Ms. Jennifer P. Masa, Deputy Director for Audit
Mr. Deolito C. Valdemar, DD for Legal/Security Operation
Ms. Maida B Decano, DD for Organization and Administration
Ms. Marie Sharon D. Roxas, Deputy Director for Treasury
Dr. Roderick Belen, Deputy Director for MAHP
Ms. Cleofe M. Figuracion, DD for Corporate Communications
Ms. Aurea D. Magpantay, General Manager
Ms. Irma A. Nuevo, Senior Consultant

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Mr. Erasto L. Panes, Senior Deputy Director for Training
Ms. Carissa Monina C. Ramirez, Deputy Director for Training
Mr. Feliciano B. Blanco, Deputy Director for Training
Mr. Christian Albert A. Sandoval, Deputy Director for Training
Ms. Glenda M. Lagarile, Deputy Director for DEPE Unit
Ms. Maridel Manalo, DD for Finance and Administration-OIC

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Ms. Amelia Corazon T. Panaligan, General Manager

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Ms. Alvin M. Villamena, Operations Director
Ms. Jenahlyn B. Escape, Operations Director
Mr. Samuel P. Tumbado, Operations Director-OIC
Mr. Diomedes D. Alvarez, Operations Director-OIC
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Mr. Larry Jun B. Barcoma, Regional Director

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Mr. Oliver M. Reyes, Deputy Director for Operations

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Ms. Ma. Rodessa R. Burgos, CARD-BDSFI/CLFC DD for Operations
Mr. Vladimer D. Sanchez, MLNI Deputy Director

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Mr. Wilfredo Llanto

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Ms. Deverna dT. Briones
Ms. Marilyn M. Manila
Mr. Alejandro C. Mangulabnan
Mr. Wilfredo M. Llanto

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Atty. Anatolia F. Buenaventura- Treasurer
Mr. Eugenio M. Gonzales
Mr. Julius Adrian R. Alip
Sr. Melvin P. Manligoy, CSJ
Mr. Alexander M. Aquino
Dr. Jaime Aristotle B. Alip - Adviser

Rizal Bank, Inc.

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Dr. Jaime Aristotle B. Alip
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Ms. Jocelyn C. Arguelles
Mr. Faustino Buenaventura
Mr. Benito R. Pagaspas - Corporate Secretary
Atty. Edgardo R. Marilim - Legal Counsel
Mr. Washington Z. SyCip - Adviser

Our Partners

A

- ABOITIZ FOUNDATION
- AGRICULTURAL GUARANTEE FUND POOL
- AHON SA HIRAP, INC. (ASHI)
- ALALAY SA KAUNLARAN (ASKI), INC.,
- ANR UNLIMITED MANPOWER CORP.
- ARDCI NGO GROUP, INC.
- ASA PHILIPPINES
- ASIA PACIFIC COLLEGE
- ASIA PACIFIC RURAL AND AGRICULTURAL CREDIT ASSOCIATION (APRACA), THAILAND
- ASIAN ACTUARY
- ASIAN COMMUNITY TRUST, JAPAN
- ASIAN DEVELOPMENT BANK
- AUSAID, PHILIPPINES
- AYALA FOUNDATION
- APARICIO MULTI-PURPOSE COOPERATIVE (APARICIO)

B

- BAGNOS MULTI-PURPOSE COOPERATIVE
- BANCNET INC.
- BANGKO KABAYAN INC.
- BANGKO SENTRAL NG PILIPINAS
- BANK OF THE PHILIPPINE ISLANDS
- BANKERS INSTITUTE OF THE PHILIPPINES, INC.
- BDO UNIBANK, INC.
- BELLAVITA LAND CORPORATION
- BROKENSHIRE COLLEGE
- BUKIDNON INTEGRATED NETWORK OF HOME INDUSTRIES

C

- CABRAL BICOLANDIA SUPERMARKET
- CANADIAN COOPERATIVE ASSOCIATION (CCA), CANADA
- CANADIAN INTERNATIONAL DEVELOPMENT AGENCY (CIDA), PHILIPPINES
- CASHPOR, MALAYSIA
- CATHOLIC RELIEF SERVICES (CRS)
- CEBUANA LHUILLIER
- CENTER FOR COMMUNITY TRANSFORMATION (CCT)
- CHAMBERS OF THRIFT BANK
- CHEVRON GEOTHERMAL PHILIPPINES HOLDINGS, INC.
- CHINA BANK SAVING, INC.
- CHINA BANKING CORPORATION
- CITIBANK
- COCOLIFE
- COMMUNITY ECONOMIC VENTURE, INC., (CEVI)
- CONSULTATIVE GROUP TO ASSIST THE POOREST (CGAP), USA
- CORDAID, THE NETHERLANDS
- CABUCGAYAN AGRARIAN REFORM COOPERATIVE (CARECO)
- CABULING FARMER'S MULTI-PURPOSE COOPERATIVE (CABULING)
- CALACA MUNICIPAL FARMER'S MULTIPURPOSE COOPERATIVE (CALACA)
- CANDELARIA MULTI-PURPOSE COOPERATIVE (CANDELARIA)
- CANHABAGAT MPC
- CAUNAYAN MULTI-PURPOSE COOPERATIVE

- CEBOLIN MULTI-PURPOSE COOPERATIVE (CEMPCO)

D

- DAAN SA PAG-UNLAD, INC.,
- DEPARTMENT OF AGRARIAN REFORM
- DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT
- DEPARTMENT OF TRADE AND INDUSTRY REGION IV
- DEUTSCHE BANK AG, GERMANY
- DEVELOPMENT BANK OF THE PHILIPPINES
- DAPLA RESETTLEMENT COMMUNITY MULTIPURPOSE COOPERATIVE (DAPLA)
- DULLAN NORTE AGRARIAN REFORM COOPERATIVE (DULNARC)
- DUMLOG COCONUT FARMERS MULTI-PURPOSE COOPERATIVE
- DUPLIGAN FARMER'S MULTI PURPOSE COOPERATIVE (DUFAMPCO)

E

- EASTWEST BANK
- EKPHATTANA MICROFINANCE INSTITUTION (EMI), LAOS
- EMBASSY OF JAPAN, PHILIPPINES

F

- FORBES COLLEGE
- FOUNDATION FOR SUSTAINABLE SOCIETY, INC. (FSSI)
- FREEDOM FROM HUNGER (FFH), USA

Our Partners

G

- GABAY, ARUGA, TUNGO SA PAG ANGAT AT PAG-ASA (AGAPP)
- GAWAD KALINGA
- GLOBE TELECON-GXCHANGE, INC. (GXI)
- GRAMEEN BANK, BANGLADESH
- GRAMEEN FOUNDATION USA, USA
- GRAMEEN TRUST (GT), BANGLADESH
- GARSIKA MULTI-PURPOSE COOPERATIVE (GARSIKA)
- GRAINS MULTI-PURPOSE COOPERATIVE (GRAINS)

H

- HONGKONG SHANGHAI BANKING CORPORATION (HSBC) LTD.
- HSBC
- HYBRID SOCIAL SOLUTIONS
- HONRADO FARMERS CREDIT COOPERATIVE (HONFACRECO)

I

- IMAI MEMORIAL CHARITABLE TRUST, JAPAN
- ING BANK, NETHERLANDS
- INSURANCE COMMISSION
- INTERNATIONAL FINANCE CORPORATION (IFC)

J

- JANET MCKINLEY AND GEORGE MILLER, USA
- JOE HIGDON AND ELLEN SUDDOW, USA

K

- KABALIKAT PARA SA MAUNLAD NA BUHAY, INC.
- KFI CENTER FOR COMMUNITY DEVELOPMENT FOUNDATION INC. (KCCDFI)
- KAULANGOAN AGRARIAN REFORM COOPERATIVE (KARCO)
- KIMAYA MULTI-PURPOSE COOPERATIVE (KIMAYA)
- KINATIHAN 1 MULTI-PURPOSE COOPERATIVE (KINATIHAN)

L

- LAND BANK OF THE PHILIPPINES
- LIFE BANK FOUNDATION, INC.
- LANGATIAN CARP BENEFICIARIES MULTIPURPOSE COOPERATIVE (LACARBEMCO)
- LIBERCON MULTI-PURPOSE COOPERATIVE (LIBERCON)
- LONGON MULTI-PURPOSE COOPERATIVE (LONGON)
- LOS ARCOS MULTI-PURPOSE COOPERATIVE
- LUMINTAO FARMERS MULTI-PURPOSE COOPERATIVE (LUMINTAO)

M

- MAY BANK
- MACQUIARIE OFFSHORE SERVICES PTY.LTD
- MEADA, CAMBODIA
- METROPOLITAN BANK AND TRUST COMPANY (MBTC)
- MICROFINANCE CENTER (MFC), LAOS

- MICROFINANCE COUNCIL OF THE PHILIPPINES (MCPI)
- MICROPADALA
- MICROVENTURES FOUNDATION
- MICROVENTURES INC. (MVI)
- MISEREOR, GERMANY
- M LHUILLIER PHILIPPINES INCORPORATED
- MRS. DORIS STIVERS, USA
- MS. MARTJ BUNING, THE NETHERLANDS
- MADDELA INTEGRATED FARMERS SAVINGS DEVELOPMENT COOPERATIVE
- MAGDIWANG AGRARIAN REFORM COMMUNITY MULTI-PURPOSE COOPERATIVE (MARC MPC)
- MEDIA ONCE FARMERS MULTI-PURPOSE COOPERATIVE (MOFAMC)
- MINA DE ORO AGRARIAN REFORM BENEFICIARY MULTI-PURPOSE COOPERATIVE (MAREBEMCO)

N

- NATIONAL LIVELIHOOD DEVELOPMENT CORPORATION
- NATIONAL LIVELIHOOD SUPPORT FUND (NLSF)
- NEGROS WOMEN FOR TOMORROW FOUNDATION
- NETHERLANDS EMBASSY, PHILIPPINES
- NEW ZEALAND EMBASSY, PHILIPPINES
- NICE HEART FOUNDATION, JAPAN
- NINOY-CORY AQUINO FOUNDATION (NCAF), PHILIPPINES

Our Partners

- NISSAN-ROREN FOUNDATION, JAPAN
- NANGALISAN MULTI-PURPOSE COOPERATIVE
- NEW MASSBA AGRARIAN REFORM COOPERATIVE

O

- OIKOCREDIT, THE NETHERLANDS AND PHILIPPINES
- OXFAM AMERICA, USA
- OLERAS MULTI-PURPOSE ECONOMIC DEVELOPMENT COOPERATIVE (OMPEDCO)

P

- PALAWAN PAWNSHOP
- PB COM
- PHILIPPINE NATIONAL BANK
- PAG-INUPDANAY, INC.
- PEACE AND EQUITY FOUNDATION (PEF)
- PEOPLE'S CREDIT AND FINANCE CORPORATION (PCFC)
- PHILHEALTH
- PHILIPPINE BANK OF COMMUNICATIONS
- PHILIPPINE BUSINESS FOR SOCIAL PROGRESS
- PHILIPPINE CHAMBER FOR COMMERCE AND INDUSTRY
- PHILIPPINE GEOTHERMAL PRODUCTION COMPANY, INC.
- PHILIPPINE RED CROSS - SAN PABLO
- PHILIPPINE NATIONAL REINSURANCE (PHILNARE)

- PHILIPPINE SAVINGS BANK
- PHILIPPINE STATISTICS AUTHORITY
- PHILIPPINE-AUSTRALIAN COMMUNITY ASSISTANCE PROGRAM (PACAP)
- PHINMA
- PILIPINAS SHELL FOUNDATION, INC.
- PINOYME FOUNDATION
- PIONEER INTERCONTINENTAL INSURANCE INC.
- PJS LAW OFFICE
- PLAN INTERNATIONAL
- PLANTERS BANK
- PLANTERS DEVELOPMENT BANK (PDB), PHILIPPINES
- POSTAL BANK, PHILIPPINES
- PT TRIPUTRA PERSADA RAHMAT (TPR), INDONESIA
- PADRE BURGOS MULTI-PURPOSE COOPERATIVE
- PAGPAPAUNLAD KITA MULTI-PURPOSE COOPERATIVE KILUSANG BAYAN SA GAWAIN (PAKIKIBAGAI)
- PROGRESSIVE WOMEN AGRARIAN REFORM COOPERATIVE

Q

- QUIDAN-KAISAHAN PAG INUPDANAY, INC.

R

- RIZAL COMMERCIAL BANKING CORPORATION (RCBC)
- RADIOWEALTH FINANCE CORPORATION
- RAGS TO RICHES

- RBT-MBA
- RIMANSI ORGANIZATION OF ASIA AND THE PACIFIC
- RISHO KOSEI-KAI FOUNDATION (RKK), JAPAN
- RIZAL COMMERCIAL BANKING CORPORATION
- RKK FUND FOR PEACE, JAPAN
- ROCKING MOON FOUNDATION, USA
- RURAL BANKERS ASSOCIATION OF THE PHILIPPINES
- RIMALIPAD-NABA MULTI-PURPOSE COOPERATIVE (RIMALIPAD)

S

- SECURITY BANK
- STANDARD CHARTERED BANK
- SAN ISIDRO MUTI-PURPOSE COOPERATIVE (SIMPUCO)
- SAN JULIAN MULTI-PURPOSE COOPERATIVE
- SANTIAGO MULTI-PURPOSE COOPERATIVE (SANTIAGO)
- SARANAY AGRARIAN REFORM COOPERATIVE (SARCO)
- SIBULA MULTI-PURPOSE COOPERATIVE (SIBULA)
- SIPSIPIN MULTI-PURPOSE COOPERATIVE
- SIRMATA MULTI-PURPOSE COOPERATIVE
- STA. ELENA FARMERS MULTI-PURPOSE COOPERATIVE (STA .ELENA)
- STO. NIÑO-VISARES TRANSPORT SERVICE MULTIPURPOSE COOPERATIVE (SAVIMCO)

Our Partners

- SAN PABLO CHAMBERS OF COMMERCE
- SAVINGS BANK FOUNDATION FOR INTERNATIONAL COOPERATION (SBFIC), GERMANY
- SECURITY BANK
- SMALL BUSINESS CORPORATION
- SOCIAL SECURITY SYSTEM
- SOUTHEAST ASIAN INTERDISCIPLINARY DEVELOPMENT INSTITUTE (SAIDI)
- SOUTHERN NEW HAMPSHIRE UNIVERSITY (SNHU), USA
- SPARKASSE ESSEN, GERMANY
- ST. FRANCIS OF ASSISI COLLEGE
- ST. LUKE'S METHODIST CHURCH, USA
- STANDARD CHARTERED BANK
- SUN LIFE
- SYCIP, GORRES & VELAYO COMPANY

T

- TIMGAS MULTI-PURPOSE COOPERATIVE
- TINAGACAN AGRARIAN REFORM BENEFICIARIES COOPERATIVE (TARBC)
- TAYTAY SA KAUSWAGAN, INC.
- TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA)

- THE ASIA FOUNDATION/GIVE2ASIA, USA AND PHILIPPINES
- THE INTERNATIONAL ALLIANCE FOR WOMEN (TIAW), USA
- TINH THUONG ONE MEMBER LIMITED LIABILITY MICROFINANCE INSTITUTION (TYM), VIETNAM
- TRAVEL SPECIALIST VENTURES
- TULAY SA PAG-UNLAD, INC.
- TULUNGAN SA TUBIGAN FOUNDATION (TSTF)

U

- UMIRAY AGRARIAN REFORM BENEFICIARIES MULTIPURPOSE COOPERATIVE
- UNISAN AGRARIAN REFORM COMMUNITY MULTIPURPOSE COOPERATIVE (UNISAN)
- UNION BANK OF THE PHILIPPINES
- UNITED COCONUT PLANTERS BANK (UCPB)
- UNITED NATIONS CAPITAL DEVELOPMENT FUND (UNCDF), USA
- UNITED NATIONS DEVELOPMENT PROGRAM (UNDP)

- UNIVERSITY OF THE PHILIPPINES LOS BAÑOS
- USWAG DEVELOPMENT FOUNDATION, INC.

V

- VIETNAM WOMEN'S UNION, VIETNAM

W

- WORLD VISION AUSTRALIA, AUSTRALIA
- WORLD VISION DEVELOPMENT FOUNDATION
- WS FAMILY FOUNDATION, INC.,

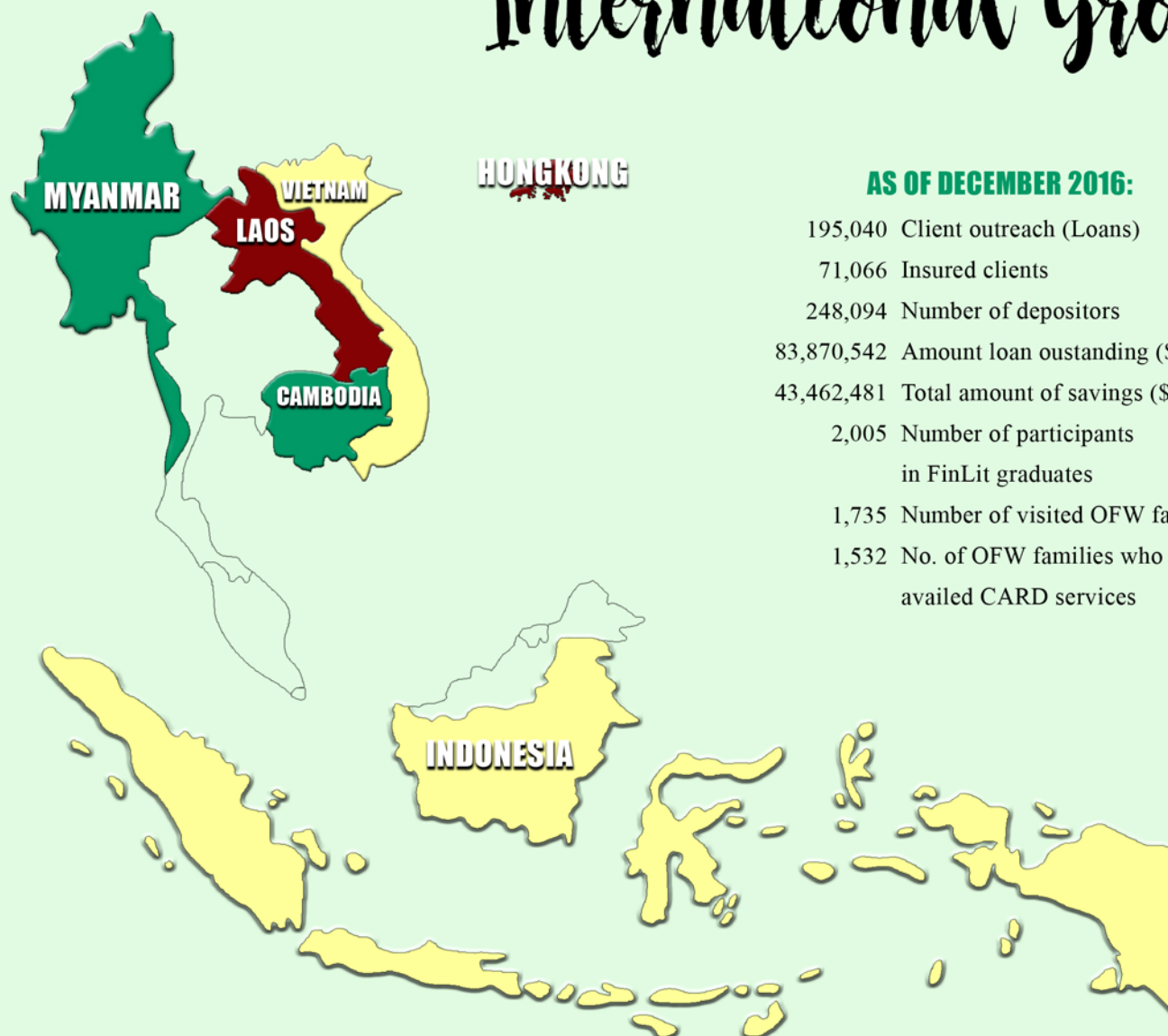
X

- XAINIYOM MICROFINANCE INSTITUTION (XMI), LAOS
- XPRESSMONEY, ABU DHABI
- WASHINGTON Z. SYCIP, PHILIPPINES
- WOMEN'S WORLD BANKING (WWB), USA

Z

- ZUELLIG FAMILY FOUNDATION

International Group



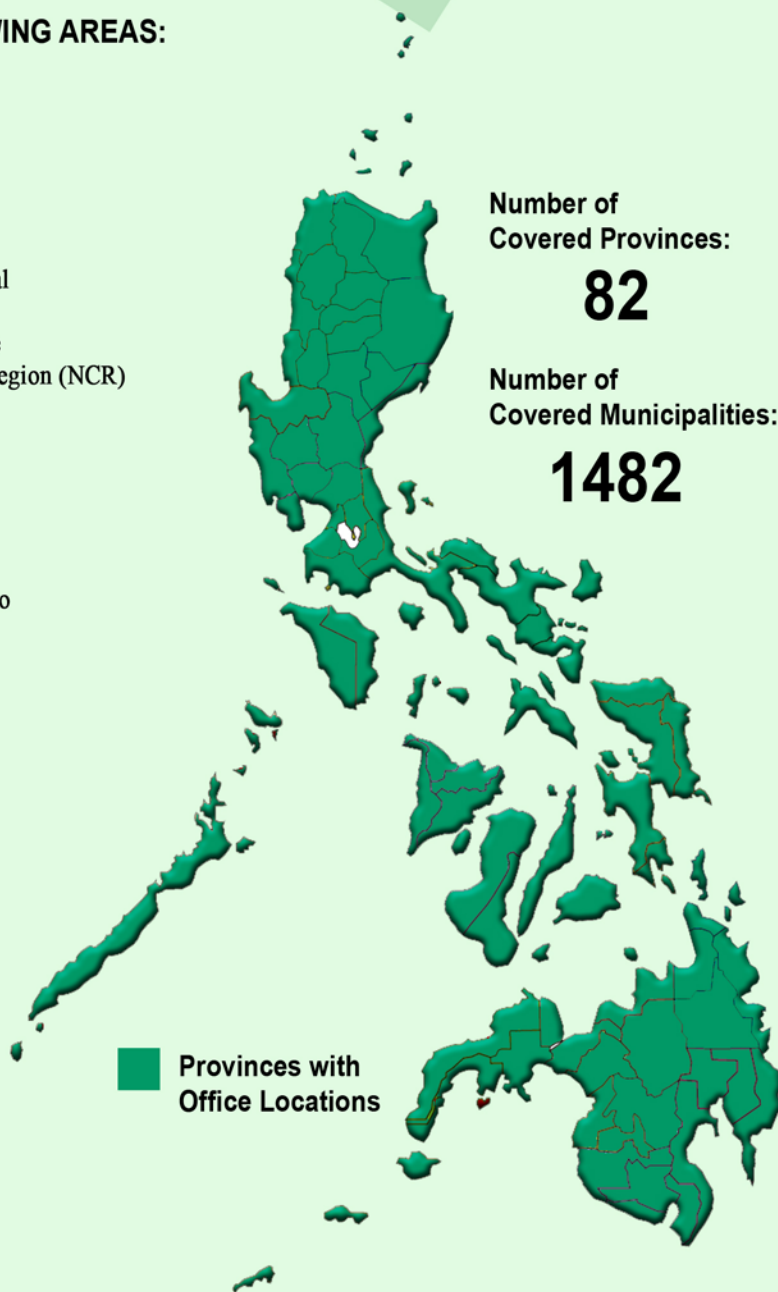
AS OF DECEMBER 2016:

195,040	Client outreach (Loans)
71,066	Insured clients
248,094	Number of depositors
83,870,542	Amount loan outstanding (\$)
43,462,481	Total amount of savings (\$)
2,005	Number of participants in FinLit graduates
1,735	Number of visited OFW families
1,532	No. of OFW families who availed CARD services

Our Offices

CAN ALSO BE FOUND IN THE FOLLOWING AREAS:

Abra	Lanao Del Sur
Agusan Del Norte	La Union
Agusan Del Sur	Leyte
Aklan	Maguindanao
Albay	Marinduque
Antique	Masbate
Apayao	Misamis Occidental
Aurora	Misamis Oriental
Basilan	Mountain Province
Bataan	National Capital Region (NCR)
Batanes	Negros Occidental
Batangas	Negros Oriental
Benguet	Neuva Ecija
Biliran	Nueva Vizcaya
Bohol	North Cotabato
Bukidnon	Northern Samar
Bulacan	Occidental Mindoro
Cagayan	Oriental Mindoro
Camarines Norte	Palawan
Camarines Sur	Pampanga
Camiguin	Pangasinan
Capiz	Quezon
Catanduanes	Quirino
Cavite	Rizal
Cebu	Romblon
Compostella Valley	Sarangani
Davao Del Norte	Siquijor
Davao Del Sur	Sorsogon
Davao Occidental	South Cotabato
Davao Oriental	Southern Leyte
Dinagat Islands	Sultan Kudarat
Eastern Samar	Sulu
Guimaras	Surigao Del Norte
Ifugao	Surigao Del Sur
Ilocos Norte	Tarlac
Ilocos Sur	Tawi-Tawi
Iloilo	Western Samar
Isabela	Zambales
Kalinga	Zamboanga Del Norte
Laguna	Zamboanga Sibugay
Lanao Del Norte	Zamboanga Del Sur





Audited Financial statements

Financial statements and accompanying notes are
available upon request.

**CENTER FOR AGRICULTURE AND
RURAL DEVELOPMENT (CARD), INC.**
(A Nonstock, Not-for-Profit Corporation)
AND SUBSIDIARIES

STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE

	Consolidated		Parent Company	
	December 31		December 31	
	2016	2015	2016	2015
ASSETS				
Cash and Cash Equivalents				
	₱704,379,720	₱880,588,947	₱670,483,667	₱875,657,782
Short-term Investments	369,841,988	335,223,849	369,841,988	335,223,849
Receivables				
Receivables from members	6,022,491,602	4,742,956,041	6,001,916,619	4,736,655,639
Finance lease and loans receivables	15,684,134	19,706,255	—	—
Due from affiliates	1,813,324	3,982,263	1,813,324	3,985,481
Other receivables	144,664,026	109,273,259	141,432,479	108,605,210
Available-for-Sale Investments	18,492,400	16,324,200	18,492,400	16,324,200
Investments in Subsidiaries and Associates	1,159,247,088	852,414,151	1,189,361,747	877,882,122
Property and Equipment	87,769,384	96,968,488	86,547,760	95,475,114
Investment Properties	63,576,696	48,959,916	45,902,203	30,888,632
Retirement Asset	281,345,858	107,102,124	281,345,858	107,102,124
Other Assets	72,190,193	46,357,679	71,358,095	45,957,333
	₱8,941,496,413	₱7,259,857,172	₱8,878,496,140	₱7,233,757,486
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Due to Members	₱2,914,801,783	₱2,272,899,507	₱2,909,234,585	₱2,271,837,908
Borrowings	1,855,701,459	1,714,237,488	1,829,573,599	1,711,737,488
Accounts Payable and Other				
Liabilities	608,548,299	464,555,124	594,865,409	458,923,937
Deferred Tax Liability	352,909	157,777	—	—
Retirement Liability	341,828	1,060,374	—	—
Total Liabilities	5,379,746,278	4,452,910,270	5,333,673,593	4,442,499,333
FUND BALANCE ATTRIBUTABLE TO PARENT COMPANY				
Fund Balance				
General fund	3,294,948,665	2,555,482,431	3,293,380,490	2,553,914,256
Restricted fund	87,514,255	81,507,288	87,514,255	81,507,288
Reserves				
Remeasurement gain on retirement plan	157,334,370	156,099,772	157,571,724	156,337,126
Equity in other comprehensive income (loss) of associates	7,286,485	429,890	6,356,078	(500,517)
	3,547,083,775	2,793,519,381	3,544,822,547	2,791,258,153
NON-CONTROLLING INTEREST	14,666,360	13,427,521	—	—
Total Fund Balance	3,561,750,135	2,806,946,902	3,544,822,547	2,791,258,153
	₱8,941,496,413	₱7,259,857,172	₱8,878,496,140	₱7,233,757,486

**CENTER FOR AGRICULTURE AND
RURAL DEVELOPMENT (CARD), INC.**
(A Nonstock, Not-for-Profit Corporation)
AND SUBSIDIARIES

STATEMENTS OF REVENUE OVER EXPENSES

	Years Ended December 31			
	Consolidated		Parent Company	
	2016	2015	2016	2015
REVENUE AND OTHER INCOME				
Administrative fee	₱2,843,106,559	₱2,346,522,822	₱2,840,370,985	₱2,345,403,899
Grants	28,850,527	15,504,583	27,485,535	11,446,640
Other income	36,781,062	20,953,788	29,770,525	16,315,662
	2,908,738,148	2,382,981,193	2,897,627,045	2,373,166,201
COSTS AND EXPENSES				
Project related expenses	2,217,086,077	1,869,066,546	2,209,381,303	1,869,066,546
Grants and donations	100,979,599	74,749,911	100,979,599	74,729,911
Health program	34,279,127	24,436,073	34,279,127	24,436,073
Scholarship program	3,922,385	7,159,588	3,922,385	7,159,588
Research program	22,779,271	4,041,600	22,779,271	4,041,600
Other administrative expenses	83,798,429	88,409,276	82,994,687	77,405,397
	2,462,844,888	2,067,862,994	2,454,336,372	2,056,839,115
EXCESS OF REVENUE OVER EXPENSES BEFORE SHARE IN NET INCOME OF ASSOCIATES AND SUBSIDIARIES	445,893,260	315,118,199	443,290,673	316,327,086
SHARE IN NET INCOME OF ASSOCIATES AND SUBSIDIARIES	323,764,472	250,915,696	325,250,575	247,096,847
EXCESS OF REVENUE OVER EXPENSES BEFORE INCOME TAX	769,657,732	566,033,895	768,541,248	563,423,933
PROVISION FOR INCOME TAX	23,119,094	940,960	23,068,047	725,356
EXCESS OF REVENUE OVER EXPENSES	₱746,538,638	₱565,092,935	₱745,473,201	₱562,698,577
ATTRIBUTABLE TO:				
Parent Company	₱745,473,201	₱566,177,018		
Non-controlling Interest	1,065,437	(1,084,083)		
	₱746,538,638	₱565,092,935		

**CENTER FOR AGRICULTURE AND
RURAL DEVELOPMENT (CARD), INC.**
(A Nonstock, Not-for-Profit Corporation)
AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31			
	Consolidated		Parent Company	
	2016	2015	2016	2015
EXCESS OF REVENUE OVER EXPENSES	₱746,538,638	₱565,092,935	₱745,473,201	₱562,698,577
Items that do not recycle to profit or loss in subsequent periods:				
Change in remeasurement gain (loss) of retirement plan	1,234,598	(5,039,290)	1,234,598	(4,239,867)
Change in equity in remeasurement gain (loss) of retirement plan of associates and subsidiaries	7,029,997	(12,394,269)	6,856,595	(13,324,676)
	8,264,595	(17,433,559)	8,091,193	(17,564,543)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	₱754,803,233	₱547,659,376	₱753,564,394	₱545,134,034
Attributable to:				
Parent Company	₱753,564,394	₱549,047,917		
Non-controlling Interest	1,238,839	(1,388,541)		
	₱754,803,233	₱547,659,376		

**CENTER FOR AGRICULTURE AND RURAL
DEVELOPMENT (CARD), INC.
(A Nonstock, Not-for-Profit Corporation)
AND SUBSIDIARIES
STATEMENTS OF CHANGES IN FUND BALANCE**

	Consolidated					
	Fund Balance Attributable to the Parent Company					Total Fund Balance
	Fund Balance	Reserves		Equity in		
			Remeasurement Gain (Loss) on Retirement Plan of Associates and Subsidiaries	Remeasurement Gain (Loss) on Retirement Plan of Associates and Subsidiaries	Total	Non-controlling interest
Balance at January 1, 2016	General Fund	Restricted Fund				
Appropriation during the year	₱2,555,482,431	₱81,507,288	₱156,099,772	₱429,890	₱2,793,519,381	₱13,427,521
Total comprehensive income for the year	(6,006,967)	6,006,967	—	—	—	—
Balance at December 31, 2016	745,473,201	—	1,234,598	6,856,595	753,564,394	1,238,839
	₱3,294,948,665	₱87,514,255	₱157,334,370	₱7,286,485	₱3,547,083,775	₱14,666,360
						₱3,561,750,135

	Consolidated					
	Fund Balance Attributable to the Parent Company					Total Fund Balance
	Fund Balance	Reserves			Total	
		Remeasurement Gain (Loss) on Retirement Plan of Associates and Subsidiaries	Remeasurement Gain (Loss) on Retirement Plan of Associates and Subsidiaries	Equity in Remeasurement Gain (Loss) on Retirement Plan of Associates and Subsidiaries		
Balance at January 1, 2015	General Fund	Restricted Fund				
Change in non-controlling interest	P1,994,996,175	P75,816,526	P160,834,604	P12,824,159	P2,244,471,464	P14,721,942
Appropriation during the year	(5,690,762)	5,690,762	—	—	—	94,120
Total comprehensive income for the year	566,177,018	—	(4,734,832)	(12,394,269)	549,047,917	—
Balance at December 31, 2015	P2,555,482,431	P81,507,288	P156,099,772	P429,890	P2,793,519,381	P13,427,521
						P2,806,946,902

	Parent Company				
	Fund Balance		Reserves		
	General Fund	Restricted Fund	Remeasurement Gain (Loss) on Retirement Plan	Equity in Remeasurement Gain (Loss) on Retirement Plan of Associates and Subsidiaries	Total
Balance at January 1, 2016	₱2,553,914,256	₱81,507,288	₱156,337,126	(₱500,517)	₱2,791,258,153
Appropriation during the year	(6,006,967)	6,006,967	—	—	—
Total comprehensive income for the year	745,473,201	—	1,234,598	6,856,595	753,564,394
Balance at December 31, 2016	₱3,293,380,490	₱87,514,255	₱157,571,724	₱6,356,078	₱3,544,822,547

	Parent Company				
	Fund Balance		Reserves		
	General Fund	Restricted Fund	Remeasurement Gain (Loss) on Retirement Plan	Equity in Remeasurement Gain (Loss) on Retirement Plan of Associates and Subsidiaries	Total
Balance at January 1, 2015	₱1,996,906,441	₱75,816,526	₱160,576,993	₱12,824,159	₱2,246,124,119
Appropriation during the year	(5,690,762)	5,690,762	—	—	—
Total comprehensive income for the year	562,698,577	—	(4,239,867)	(13,324,676)	545,134,034
Balance at December 31, 2015	₱2,553,914,256	₱81,507,288	₱156,337,126	(₱500,517)	₱2,791,258,153

**CENTER FOR AGRICULTURE AND
RURAL DEVELOPMENT (CARD), INC.**
(A Nonstock, Not-for-Profit Corporation)
AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

	Years Ended December 31			
	Consolidated		Parent Company	
	2016	2015	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Excess of revenue over expenses before income tax	₱769,657,732	₱566,033,895	₱768,541,248	₱563,423,933
Adjustments for:				
Equity in net earnings of associates and subsidiaries	(323,764,472)	(250,915,696)	(325,250,575)	(247,096,847)
Gain on sale of investment properties	(2,213,352)	—	—	—
Interest expense	61,207,621	43,079,284	61,126,543	42,858,867
Pension expense	35,274,404	38,307,187	35,077,418	38,224,551
Depreciation and amortization	22,272,224	23,937,250	21,847,233	23,584,978
Provision for credit and impairment losses	(7,936,574)	18,267,047	(7,734,535)	15,507,891
Interest income	(9,251,601)	(7,813,901)	(9,246,186)	(7,807,373)
Foreign exchange gain	(716,735)	(579,673)	(1,111,880)	(767,000)
Dividend income	(418,880)	(314,160)	(418,880)	(314,160)
Loss (gain) on disposal/retirement of Assets	—	(521,057)	—	4,867
Changes in operating assets and liabilities:				
Decrease (increase) in amounts of:				
Receivables	(1,300,679,428)	(607,235,727)	(1,287,854,897)	(602,053,982)
Short term investments	(34,618,139)	(235,223,849)	(34,618,139)	(235,223,849)
Other assets	(25,832,514)	21,069,831	(25,400,762)	21,727,726
Increase in amounts of:				
Due to members	641,902,276	305,010,497	637,396,677	304,034,525
Accounts payable and accrued Expenses	122,307,873	33,500,152	115,633,087	31,589,886
Net cash flows used in operations	(52,809,565)	(53,398,920)	(52,013,648)	(52,305,987)
Interest paid	(61,381,176)	(44,677,318)	(62,637,378)	(44,420,235)
Contributions to the retirement plan	(208,351,648)	(143,779,479)	(208,086,554)	(143,675,298)
Interest received	9,132,335	7,390,241	8,919,526	7,712,154
Income taxes paid	(23,165,337)	(799,407)	(23,153,927)	(780,281)
Net cash flows used in operating activities	(336,575,391)	(235,264,883)	(336,971,981)	(233,469,647)

	Years Ended December 31			
	Consolidated		Parent Company	
	2016	2015	2016	2015
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of:				
Property and equipment	₱375,334	₱176,693	₱375,334	₱176,150
Investment property	2,668,000	—	—	—
Investment in associates and subsidiary	—	274,400	1,000	274,400
Acquisitions of:				
Investment in associates and subsidiaries	(50,102,200)	(62,385,000)	(52,588,200)	(67,091,000)
Property and equipment	(10,923,144)	(20,151,723)	(10,768,438)	(19,982,032)
Available-for-sale investments	(1,450,000)	(977,120)	(1,450,000)	(977,120)
Investment properties	(17,598,202)	(5,761,883)	(17,540,346)	(5,761,883)
Dividends received	95,932,405	82,652,505	95,932,405	82,652,505
Net cash flows provided by (used in) investing activities	18,902,193	(6,172,128)	13,961,755	(10,708,980)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	2,318,778,360	1,873,508,100	2,292,581,500	1,873,508,100
Settlement of borrowings	(2,177,314,389)	(1,476,228,873)	(2,174,814,389)	(1,473,728,873)
Net cash flows provided by financing activities	141,463,971	397,279,227	117,767,111	399,779,227
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	(176,209,227)	155,842,216	(205,174,115)	155,600,600
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
	880,588,947	724,746,731	875,657,782	720,057,182
CASH AND CASH EQUIVALENTS AT END OF YEAR				
	₱704,379,720	₱880,588,947	₱670,483,667	₱875,657,782

CARD BANK, INC.
(A MICROFINANCE-ORIENTED RURAL BANK)
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2016	2015
ASSETS		
Cash and other cash items	₱146,860,868	₱100,838,896
Due from Bangko Sentral ng Pilipinas	189,947,924	149,539,008
Due from other banks	1,734,571,649	1,158,855,488
Available-for-sale investments	231,231,531	136,508,213
Loans and receivables	6,398,359,567	5,324,253,781
Held-to-maturity investments	246,006,757	238,220,396
Investment in an associate	170,182,354	118,783,722
Property and equipment	555,237,686	519,858,626
Retirement asset	219,442,604	126,100,919
Deferred tax assets	32,670,711	46,027,575
Other assets	144,304,477	167,480,409
	₱10,068,816,128	₱8,086,467,033
LIABILITIES AND EQUITY		
Liabilities		
Deposit liabilities		
Demand	₱63,086,029	₱152,278,885
Savings	5,906,098,779	4,360,487,687
	5,969,184,808	4,512,766,572
Bills payable	1,371,050,423	1,261,701,810
Income tax payable	98,458,483	106,109,509
Other liabilities	319,742,205	439,805,859
	7,758,435,919	6,320,383,750
Equity		
Capital stock		
Preferred stock	570,827,000	499,884,000
Common stock	543,185,700	492,286,800
	1,114,012,700	992,170,800
Surplus	1,192,135,303	772,926,265
Remeasurement gains on retirement liabilities	16,507,237	9,997,169
Share in other comprehensive loss of an associate	(8,692,044)	(8,173,090)
Net unrealized losses on available-for-sale investments	(3,582,987)	(837,861)
	2,310,380,209	1,766,083,283
	₱10,068,816,128	₱8,086,467,033

CARD BANK, INC.
(A MICROFINANCE-ORIENTED RURAL BANK)
STATEMENTS OF INCOME

	Years Ended December 31	
	2016	2015
INTEREST INCOME ON		
Loans and receivables	₱2,898,808,240	₱2,429,605,719
Investment securities	16,885,910	16,417,695
Due from other banks	16,820,310	8,262,581
	2,932,514,460	2,454,285,995
INTEREST EXPENSE ON		
Deposit liabilities	111,203,343	102,803,409
Bills payable	46,855,651	24,436,751
	158,058,994	127,240,160
NET INTEREST INCOME	2,774,455,466	2,327,045,835
Miscellaneous	17,159,504	17,611,672
TOTAL OPERATING INCOME	2,791,614,970	2,344,657,507
OPERATING EXPENSES		
Compensation and benefits	849,178,079	694,381,592
Transportation and travel	173,412,626	135,783,941
Taxes and licenses	161,363,925	131,176,178
Rent	106,598,931	79,803,354
Information and technology	84,027,093	60,233,514
Depreciation and amortization	83,273,945	73,812,754
Stationery and office supplies	77,310,850	63,767,561
Employee trainings	57,846,304	49,240,958
Security, messengerial and janitorial	53,290,164	43,450,444
Postage, telephone and cable	46,268,539	35,896,351
Provision for credit losses	40,935,931	52,507,667
Members training and development	40,166,483	79,212,352
Power, light and water	26,812,503	23,629,521
Insurance	21,772,829	19,515,081
Management and other professional fees	19,853,865	17,581,814
Seminars and meetings	12,074,164	10,285,783
Repairs and maintenance	8,881,824	8,373,443
Program monitoring and evaluation	7,247,955	6,790,893
Miscellaneous	47,579,047	61,587,470
	1,917,895,057	1,647,030,671
INCOME BEFORE SHARE IN NET INCOME OF AN ASSOCIATE	873,719,913	697,626,836
SHARE IN NET INCOME OF AN ASSOCIATE	63,917,586	36,760,807
INCOME BEFORE TAX	937,637,499	734,387,643
PROVISION FOR INCOME TAX	263,428,461	217,838,302
NET INCOME	₱674,209,038	₱516,549,341

CARD BANK, INC.
(A MICROFINANCE-ORIENTED RURAL BANK)
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2016	2015
NET INCOME	₱674,209,038	₱516,549,341
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Items that may not be classified to the statement of income:</i>		
Remeasurement gains (losses) on retirement liabilities	9,300,096	(12,675,386)
Income tax effects	(2,790,028)	3,802,615
	6,510,068	(8,872,771)
<i>Items that may be reclassified to the statement of income:</i>		
Unrealized losses on available-for-sale investments	(3,921,608)	(2,331,240)
Income tax effects	1,176,482	699,371
	(2,745,126)	(1,631,869)
Share in other comprehensive loss of an associate	(518,954)	(9,742,074)
	(3,264,080)	(11,373,943)
TOTAL COMPREHENSIVE INCOME	₱677,455,026	₱496,302,627

CARD BANK, INC.
(A MICROFINANCE-ORIENTED RURAL BANK)
STATEMENTS OF CHANGES IN EQUITY

	Preferred Stock	Common Stock	Surplus	Remeasurement Gains on Retirement Liabilities	Share in an Associate's Other Comprehensive Loss	Net Unrealized Available-for-sale Investments	Total
Balance at January 1, 2016	₱499,884,000	₱492,286,800	₱772,926,265	₱9,997,169	(₱8,173,090)	(₱837,861)	₱1,766,083,283
Total comprehensive income	—	—	674,209,038	6,510,068	(518,954)	(2,745,126)	677,455,026
Application of deposit for future stock subscription to issued shares	42,191,010	26,097,100	—	—	—	—	68,288,110
Collection of subscription receivable	28,751,990	24,801,800	—	—	—	—	53,553,790
Cash dividends	—	—	(255,000,000)	—	—	—	(255,000,000)
Balance at December 31, 2016	₱570,827,000	₱543,185,700	₱1,192,135,303	₱16,507,237	(₱8,692,044)	(₱3,582,987)	₱2,310,380,209
Balance at January 1, 2015	₱496,938,400	₱470,438,900	₱441,202,779	₱18,869,940	₱1,568,984	₱794,008	₱1,429,813,011
Total comprehensive income	—	—	516,549,341	(8,872,771)	(9,742,074)	(1,631,869)	496,302,627
Collection of subscription receivable	2,945,600	21,847,900	—	—	—	—	24,793,500
Cash dividends	—	—	(184,825,855)	—	—	—	(184,825,855)
Balance at December 31, 2015	₱499,884,000	₱492,286,800	₱772,926,265	₱9,997,169	(₱8,173,090)	(₱837,861)	₱1,766,083,283

CARD BANK, INC.
(A MICROFINANCE-ORIENTED RURAL BANK)
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱937,637,499	₱734,387,643
Adjustments for:		
Depreciation and amortization	83,273,945	73,812,754
Share in net income of an associate	(63,917,586)	(36,760,807)
Provision for credit losses	40,935,931	52,507,667
Retirement expense	25,758,411	24,691,258
Amortization of discount on bills payable	5,069,709	4,028,347
Amortization of net premium on held-to-maturity investments	1,651,028	2,668,767
Gain on disposal of property and equipment	(972,556)	(1,940,537)
Amortization of net premium on available-for-sale investments	699,869	684,527
Net unrealized (gains) losses on foreign exchange transactions	(260,171)	183,224
Operating income before changes in operating assets and liabilities:	1,029,876,079	854,262,843
Decrease (increase) in the amounts of:		
Loans and receivables	(1,115,041,717)	(1,068,618,874)
Other assets	22,797,150	(100,548,780)
Increase (decrease) in the amounts of:		
Deposit liabilities	1,456,418,236	992,866,145
Other liabilities	10,255,913	121,582,245
Net cash generated from operations	1,404,305,661	799,543,579
Income taxes paid	(259,336,169)	(172,775,311)
Contribution to retirement fund	(109,800,000)	(75,867,516)
Net cash provided by operating activities	1,035,169,492	550,900,752
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment	(118,939,820)	(173,167,008)
Available-for-sale investments	(99,344,795)	–
Held-to-maturity investments	(72,934,670)	(34,859,499)
Software costs	–	(14,046,232)
Dividends received from an associate	12,000,000	10,400,000
Additional investment in an associate	(29,600,000)	(10,400,000)
Proceeds from:		
Maturity of held-to-maturity investments	63,497,281	52,836,000
Disposal of property and equipment	1,638,153	1,940,537
Net cash used in investing activities	(243,683,851)	(167,296,202)

	Years Ended December 31	
	2016	2015
CASH FLOWS FROM FINANCING ACTIVITIES		
Availments of bills payable	₱925,858,904	₱1,310,718,567
Settlements of bills payable	(821,580,000)	(935,000,000)
Proceeds from		
Collection of subscriptions receivable on preferred stock	28,751,990	2,826,800
Collection of subscriptions receivable on common stock	24,801,800	4,886,900
Dividends paid	(287,431,457)	(135,806,308)
Net cash provided by (used in) financing activities	(129,598,763)	247,625,959
EFFECTS OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS		
	260,171	(183,224)
NET INCREASE IN CASH AND CASH EQUIVALENTS	662,147,049	631,047,285
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	100,838,896	65,451,150
Due from Bangko Sentral ng Pilipinas	149,539,008	124,989,147
Due from other banks	1,158,855,488	587,745,810
	1,409,233,392	778,186,107
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and other cash items	146,860,868	100,838,896
Due from Bangko Sentral ng Pilipinas	189,947,924	149,539,008
Due from other banks	1,734,571,649	1,158,855,488
	₱2,071,380,441	₱1,409,233,392
OPERATIONAL CASH FLOWS FROM INTEREST AND DIVIDENDS		

	Years Ended December 31	
	2016	2015
Interest received	₱2,914,385,026	₱2,400,854,569
Interest paid	153,044,736	107,072,802
Dividend received	12,000,000	10,400,000

CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT (CARD)
MUTUAL BENEFIT ASSOCIATION, INC.
(A Nonstock, Not-for-Profit Association)

STATEMENTS OF FINANCIAL POSITION

	December 31	January 1	
	2015	2015	
	2016		
ASSETS			
Cash and Cash Equivalents	₱132,874,089	₱378,155,071	₱275,692,723
Financial Assets			
Held-to-maturity investments	7,947,632,304	6,297,160,291	5,104,317,821
Loans and receivables - net	730,965,058	522,542,100	400,910,720
Available-for-sale financial assets	598,209,449	436,964,668	509,658,294
Financial assets at fair value through profit or loss	—	—	20,180,000
Property and Equipment - net	225,688,947	176,596,378	240,021,459
Investment Properties	213,471,981	210,372,898	36,780,456
Investments in Associates	432,444,233	304,457,354	268,288,962
Pension Asset - net	29,564,226	14,358,226	12,633,123
Other Assets	8,730,652	6,368,198	8,280,388
	₱10,319,580,939	₱8,346,975,184	₱6,876,763,946
LIABILITIES AND FUND BALANCE			
Liabilities			
Insurance contract liabilities	₱4,860,101,041	₱3,843,382,930	₱3,241,665,959
Retirement savings fund	3,040,601,467	2,429,552,226	1,963,727,108
Accounts payable and accrued expenses	65,362,483	87,022,943	110,176,583
Total Liabilities	7,966,064,991	6,359,958,099	5,315,569,650
Fund Balance			
Appropriated fund balance	148,742,398	159,658,082	142,580,190
Unappropriated fund balance	2,159,579,849	1,779,244,529	1,363,686,200
Other comprehensive income	45,193,701	48,114,474	54,927,906
Total Fund Balance	2,353,515,948	1,987,017,085	1,561,194,296
	₱10,319,580,939	₱8,346,975,184	₱6,876,763,946

CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT (CARD)
MUTUAL BENEFIT ASSOCIATION, INC.
(A Nonstock, Not-for-Profit Association)

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
		2015
	2016	
REVENUE		
Gross premiums on insurance contracts	₱2,329,174,617	₱1,839,785,168
Reinsurance' share on gross earned premium on insurance contracts	(2,646,045)	(1,477,500)
Net premiums on insurance contracts	2,326,528,572	1,838,307,668
Interest income	216,416,627	199,476,726
Dividend income	26,508,032	24,340,922
Surrender charge	16,970,148	16,357,739
Equity in net earnings of associates	73,666,278	11,219,179
Rental income	7,918,705	5,683,660
Reversal of impairment losses	13,024,673	—
Others	8,403,525	2,657,771
Other revenue	362,907,988	259,735,997
	2,689,436,560	2,098,043,665
BENEFITS, CLAIMS AND EXPENSES		
Gross change in insurance contract liabilities	1,021,839,529	601,716,971
Gross insurance contract benefits and claims paid	825,554,143	692,479,452
Insurance benefits and claims	1,847,393,672	1,294,196,423
General and administrative expenses	363,032,821	300,395,279
Fair value loss from financial assets at fair value through profit or loss	—	180,000
Expenses and losses	363,032,821	300,575,279
	2,210,426,493	1,594,771,702
EXCESS OF REVENUE OVER EXPENSES BEFORE PROVISION FOR TAXES	479,010,067	503,271,963
PROVISION FOR		
Current tax	216,396	127,522
Final tax	45,771,404	43,265,622
EXCESS OF REVENUE OVER EXPENSES	433,022,267	459,878,819

	Years Ended December 31	
		2015
	2016	
EXCESS OF REVENUE OVER EXPENSES	₱433,022,267	₱459,878,819
OTHER COMPREHENSIVE INCOME (LOSS)		
Item that will be reclassified to profit or loss in subsequent periods		
Fair value losses on available-for-sale financial assets	(7,101,585)	(1,080,051)
Items that will not be reclassified to profit or loss in subsequent periods		
Equity in other comprehensive income (loss) of an associate	4,020,589	(2,447,787)
Remeasurement gain (loss) on defined benefit plan	160,223	(3,285,594)
TOTAL COMPREHENSIVE INCOME	₱430,101,494	₱453,065,387

**CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT (CARD)
MUTUAL BENEFIT ASSOCIATION
(A Nonstock, Not-for-Profit Association)**

STATEMENTS OF CHANGES IN FUND BALANCE

	Other Comprehensive Income					
	Appropriated Fund Balance	Unappropriated Fund Balance	Reserve for Fluctuation in Value of Available-for- Sale Financial Assets	Remeasurement of Actuarial Gains/Losses	Equity in other comprehensive income of an associate	Total Other Comprehensive Income
At January 1, 2016						
As previously reported	₱159,658,082	₱1,685,783,527	₱41,780,646	₱6,504,323	(₱170,495)	₱48,114,474
Prior period adjustments	—	93,461,002	—	—	—	93,461,002
As restated	159,658,082	1,779,244,529	41,780,646	6,504,323	(170,495)	48,114,474
Appropriation during the year	93,584,551	(93,584,551)	—	—	—	—
Reversal of appropriation	(40,897,605)	40,897,605	—	—	—	—
Utilization of appropriation	(63,602,630)	—	—	—	—	—
Total comprehensive income:	—	433,022,267	—	—	—	433,022,267
Excess of revenue over expenses	—	—	(7,101,585)	160,223	4,020,589	(2,920,773)
Other comprehensive income (loss)	—	—	—	—	—	—
Balance at December 31, 2016	₱148,742,398	₱2,159,579,850	₱34,679,061	₱6,664,546	₱3,850,094	₱45,193,701
At January 1, 2015						
As previously reported	₱142,580,190	₱1,285,160,743	₱42,860,697	₱9,789,917	₱2,277,292	₱54,927,906
Prior period adjustments	—	78,525,457	—	—	—	78,525,457
As restated	142,580,190	1,363,686,200	42,860,697	9,789,917	2,277,292	54,927,906
Appropriation during the year	44,320,490	(44,320,490)	—	—	—	—
Reversal of appropriation	—	—	—	—	—	—
Utilization of appropriation	(27,242,598)	—	—	—	—	—
Total comprehensive income:	—	—	—	—	—	—
Excess of revenue over expenses	—	459,878,819	—	—	—	459,878,819
Other comprehensive loss	—	—	(1,080,051)	(3,285,594)	(2,447,787)	(6,813,432)
Balance at December 31, 2015	₱159,658,082	₱1,779,244,529	₱41,780,646	₱6,504,323	(₱170,495)	₱48,114,474
						₱1,987,017,085

**CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT (CARD)
MUTUAL BENEFIT ASSOCIATION, INC.**
(A Nonstock, Not-for-Profit Association)

STATEMENTS OF CASH FLOWS

	Years Ended December 31	
		2015
	2016	
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses before provision for current and final tax	₱479,010,067	₱503,271,963
Adjustments for:		
Increase in aggregate reserves	1,004,869,380	583,660,128
Amortization of bond premium	127,702,909	22,937,395
Pension expense	3,942,178	3,562,765
Depreciation	11,852,537	9,035,200
Provision for (reversal of) impairment losses	(13,024,673)	3,285,338
Fair value losses from financial assets at fair value through profit or loss	—	180,000
Loss (gain) on sale/retirement of transportation equipment	(370,666)	35,817
Interest income on pension asset	(1,111,813)	(740,436)
Equity in net earnings of associates - net	(73,666,278)	(11,219,179)
Dividend income	(26,508,032)	(24,340,922)
Interest income	(215,304,814)	(198,736,290)
Cash generated from operations before changes in working capital	1,297,390,795	890,931,779
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	47,924,833	(40,667,375)
Other assets	(2,362,454)	1,912,190
Increase (decrease) in:		
Claims payable	11,848,729	18,056,843
Retirement savings fund	611,049,241	465,825,118
Accounts payable and accrued expenses	(21,660,460)	(23,153,640)
Net cash generated from operations	1,944,190,684	1,312,904,915
Contribution to pension fund	(17,876,142)	(7,833,026)
Utilization of appropriation	(63,602,630)	(27,242,598)
Taxes paid	(45,987,800)	(43,393,144)
Net cash flows provided by operating activities	1,816,724,112	1,234,436,147
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	206,044,756	186,037,620
Cash dividends received	35,535,040	20,023,116
Acquisitions of:		
Available-for-sale financial assets	(124,169,366)	(3,383,800)
Investment properties	(24,617,200)	(71,405,700)
Investments in associates	(52,700,012)	(28,300,000)
Property and equipment	(39,432,839)	(47,832,678)
Held-to-maturity investments	(2,377,095,796)	(1,338,942,053)
Short-term investments	(1,414,506,236)	(294,513,149)
Long-term investments	(402,707,594)	—
Loans receivable	(25,000,000)	(10,000,000)

	Years Ended December 31	
		2015
	2016	
Proceeds from sale/maturities of:		
Held-to-maturity investments	₱598,920,875	₱123,162,188
Available-for-sale financial assets	—	74,997,375
Financial assets at fair value through profit or loss	—	20,000,000
Short-term investments	1,541,513,428	222,349,949
Property and equipment	376,516	—
Loans receivable	15,833,334	15,833,333
Net cash flows used in investing activities	(2,062,005,094)	(1,131,973,799)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(245,280,982)	102,462,348
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	378,155,071	275,692,723
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱132,874,089	₱378,155,071

CARD-MRI DEVELOPMENT INSTITUTE, INC.**(A Nonstock, Not-for-Profit Association)****STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE**

	December 31	
	2016	2015
ASSETS		
Current Assets		
Cash in banks	₱53,199,025	₱40,373,928
Short-term investments	59,275,897	51,690,481
Receivables	3,538,740	3,711,309
Other current assets	1,067,763	1,580,881
Total Current Assets	117,081,425	97,356,599
Noncurrent Assets		
Property and equipment	92,661,991	72,668,128
Equity investment at cost	4,373,900	4,373,900
Software costs	672,255	205,207
Retirement asset	8,001,384	234,393
Other noncurrent assets	825,663	—
Total Noncurrent Assets	106,535,193	77,481,628
	₱223,616,618	₱174,838,227
LIABILITIES AND FUND BALANCE		
Current Liability		
Accounts payable and accrued expenses	₱14,082,256	₱20,853,505
Noncurrent Liability		
Lease liability	4,279,787	4,831,691
	18,362,043	25,685,196
Fund Balance		
General fund	5,000,000	5,000,000
Accumulated excess of revenue over expenses	200,254,575	144,153,031
	205,254,575	149,153,031
	₱223,616,618	₱174,838,227

CARD-MRI DEVELOPMENT INSTITUTE, INC.**(A Nonstock, Not-for-Profit Association)****STATEMENTS OF REVENUES AND EXPENSES AND
CHANGES IN FUND BALANCE**

	Years Ended December 31	
	2016	2015
REVENUE		
Seminars and trainings	₱173,265,451	₱151,557,691
Tuition fees and other school fees	9,485,973	1,825,905
Remeasurement gain on retirement plan	6,632,683	—
Interest income	1,990,419	1,345,483
Facilities fee	866,175	581,617
Donations and contributions	100,000	808,393
Others	877,903	709,212
	193,218,604	156,828,301
EXPENSES		
Cost of seminars, trainings and other programs	109,858,623	97,539,121
Tertiary expenses	5,255,502	1,510,533
Senior high school expenses	2,190,141	—
Administrative:		
Program monitoring and meetings	4,567,691	4,196,531
Compensation and employee benefits	3,494,093	2,048,237
Transportation and travel	3,019,242	2,345,043
Staff training and development	2,215,370	482,102
Management and professional fees	1,782,447	1,755,600
Taxes and licenses	766,360	449,542
Depreciation expense	692,790	625,124
Insurance	545,341	648,384
Supplies and materials	463,112	274,009
Information technology	452,101	508,555
Utilities	440,405	438,130
Janitorial, messengerial, and security	365,002	194,831
Representation	284,631	651,488
Communication and postage	188,585	189,816
Provision for (reversal of) doubtful accounts	181,706	(425,676)
Repairs and maintenance	118,179	101,037
Remeasurement loss on retirement plan	—	6,307,130
Miscellaneous	235,740	43,045
	19,812,794	20,832,928
	137,117,060	119,882,582
EXCESS OF REVENUE OVER EXPENSES	56,101,544	36,945,719
FUND BALANCE AT BEGINNING OF YEAR	149,153,031	112,207,312
FUND BALANCE AT END OF YEAR	₱205,254,575	₱149,153,031

CARD-MRI DEVELOPMENT INSTITUTE, INC.
(A Nonstock, Not-for-Profit Association)

STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses	₱56,101,544	₱36,945,719
Adjustments for:		
Depreciation and amortization expense	13,700,804	11,312,454
Remeasurement loss (gain) on retirement plan	(6,632,683)	6,307,130
Interest income	(1,990,419)	(1,345,483)
Retirement expense	1,596,816	615,987
Interest expense	1,375,601	309,057
Unrealized foreign exchange gain	(356,744)	(406,862)
Dividend income	(262,434)	(262,434)
Provision for (reversal of) doubtful accounts	181,706	(425,676)
Operating income before working capital changes	63,714,191	53,049,892
Changes in operating assets and liabilities:		
Decrease (increase) in the amounts of:		
Receivables	(44,700)	2,777,641
Other current assets	513,119	(441,455)
Increase (decrease) in the amounts of accounts payable and accrued expenses	(6,771,249)	1,770,439
Net cash generated from operations	57,411,361	57,156,517
Contributions to retirement fund	(2,731,124)	(1,839,905)
Dividends received	262,434	262,434
Interest received	2,025,981	1,096,032
Net cash provided by operating activities	56,968,652	56,675,078
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for:		
Purchase of short-term investments	(9,751,860)	(51,690,481)
Acquisition of property and equipment	(32,449,843)	(21,904,940)
Acquisition of software license	(564,940)	(88,448)
Security deposits	(825,663)	—
Proceeds from maturity of short-term investments	2,166,443	—
Net cash used in investing activities	(41,425,863)	(73,683,869)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of finance lease	(3,074,436)	(618,048)
Net cash used in financing activities	(3,074,436)	(618,048)
NET INCREASE (DECREASE) IN CASH IN BANKS	12,468,353	(17,626,839)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH IN BANK	356,744	406,862
CASH IN BANKS AT BEGINNING OF YEAR	40,373,928	57,593,905
CASH IN BANKS AT END OF YEAR	₱53,199,025	₱40,373,928

**CARD-BUSINESS DEVELOPMENT SERVICE FOUNDATION, INC.
AND A SUBSIDIARY**

STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE

	Consolidated		Parent Company	
	December 31			
	2016	2015	2016	2015
ASSETS				
Current Assets				
Cash	₱17,807,571	₱3,923,914	₱9,709,949	₱1,824,886
Receivables	9,246,089	6,324,637	13,088,477	8,248,517
Other current assets	6,977,194	7,639,535	494,630	5,700,919
	34,030,854	17,888,086	23,293,056	15,774,322
Noncurrent Assets				
Available-for-sale investments	3,415,300	6,220,000	3,415,300	6,220,000
Investments in a subsidiary and associates	30,961,549	26,581,446	32,994,799	28,581,446
Property and equipment	505,756	5,161,730	95,204	5,003,580
Investment property	4,800,000	—	4,800,000	—
Retirement asset	1,657,053	—	1,657,053	59,711
Other noncurrent assets	211,088	900,000	173,000	900,000
	41,550,746	38,863,176	43,135,356	40,764,737
	₱75,581,600	₱56,751,262	₱66,428,412	₱56,539,059
LIABILITIES AND EQUITY				
Liabilities				
Current Liabilities				
Accounts payable and accrued expenses	₱14,917,650	₱8,944,388	₱7,132,401	₱8,403,705
Project assistance payable	—	1,250,000	—	1,250,000
	14,917,650	10,194,388	7,132,401	9,653,705
Noncurrent Liability				
Retirement liability	148,728	536,831	—	—
	15,066,378	10,731,219	7,132,401	9,653,705
Fund Balance				
Fund balance attributable to Parent Company	58,809,400	45,466,923	59,296,011	46,885,354
Non-controlling interest	1,705,822	553,120	—	—
Total Fund Balance	60,515,222	46,020,043	59,296,011	46,885,354
	₱75,581,600	₱56,751,262	₱66,428,412	₱56,539,059

**CARD-BUSINESS DEVELOPMENT SERVICE FOUNDATION, INC.
AND A SUBSIDIARY**

STATEMENTS OF REVENUE OVER EXPENSES

	Consolidated		Parent Company	
	Years Ended December 31			
	2016	2015	2016	2015
REVENUES				
Sales	₱37,988,804	₱9,531,439	₱—	₱—
Grants	20,000,000	25,000,000	20,000,000	25,000,000
Dividend income	181,838	145,050	181,838	145,050
Other income	2,657,453	3,902,816	662,517	1,796,618
	60,828,095	38,579,305	20,844,355	26,941,668
EXPENSES				
Project related expenses	36,686,030	27,233,777	10,579,899	19,080,535
Compensation and employee benefits				
	2,418,638	2,567,014	1,204,047	1,554,190
Outsourced services	1,801,981	243,170	—	—
Supplies and materials	1,654,675	508,095	188,091	190,974
Transportation and travel	1,327,829	802,818	300,743	619,117
Actuarial losses (gains)	(1,017,458)	446,516	(513,090)	(25,641)
Rental	1,000,540	643,083	118,006	501,225
Information technology	667,733	95,696	68,800	78,137
Repairs and maintenance	652,361	844,328	88,504	816,897
Training and development	531,492	226,867	44,301	217,907
Program monitoring and evaluation	493,663	688,347	62,182	608,250
Management and professional fees	304,585	328,145	2,437	113,771
Interest	265,169	37,054	4,609	37,054
Seminars and meetings	254,774	347,226	161,562	258,412
Utilities	247,132	208,137	87,186	162,702
Depreciation	220,193	188,160	30,345	137,522
Communication	165,179	152,972	14,702	32,062
Janitorial, messengerial and security	138,407	131,772	138,407	131,772
Miscellaneous	2,000,764	1,057,432	215,648	765,713
	49,813,687	36,750,609	12,796,379	25,280,599
EXCESS OF REVENUE OVER EXPENSES BEFORE SHARE IN NET INCOME OF ASSOCIATES				
	11,014,408	1,828,696	8,047,976	1,661,069
SHARE IN TOTAL COMPREHENSIVE INCOME OF ASSOCIATES				
	4,380,103	1,934,484	4,380,103	1,934,484
EXCESS OF REVENUE OVER EXPENSES BEFORE INCOME TAX				
	15,394,511	3,763,180	12,428,079	3,595,553
PROVISION FOR INCOME TAX				
	866,082	12,159	17,422	11,793
EXCESS OF REVENUE OVER EXPENSES				
	₱14,528,429	₱3,751,021	₱12,410,657	₱3,583,760
ATTRIBUTABLE TO:				
Parent Company	₱13,342,477	₱3,650,664		
Non-controlling interest	1,185,952	100,357		
	₱14,528,429	₱3,751,021		

**CARD-BUSINESS DEVELOPMENT SERVICE FOUNDATION, INC.
AND A SUBSIDIARY**

STATEMENTS OF CHANGES IN FUND BALANCE

	Consolidated			Parent Company
	Fund Balance Attributable to the Parent Company	Non-controlling Interest	Total	Fund Balance
Balance at January 1, 2016	₱45,466,923	₱553,120	₱46,020,043	₱46,885,354
Decrease of non-controlling interest in Mga Likha Ni Inay	—	(33,250)	—	—
Excess of revenue over expenses	13,342,477	1,185,952	14,528,429	12,410,657
Balance at December 31, 2016	₱58,809,400	₱1,705,822	₱60,481,972	₱59,296,011
 Balance at January 1, 2015	 ₱41,816,259	 (₱133,787)	 ₱41,682,472	 ₱43,301,594
Increase of non-controlling interest in Mga Likha Ni Inay	—	586,550	586,550	—
Excess of revenue over expenses	3,650,664	100,357	3,751,021	3,583,760
Balance at December 31, 2015	₱45,466,923	₱553,120	₱46,020,043	₱46,885,354

**CARD-BUSINESS DEVELOPMENT SERVICE FOUNDATION, INC.
AND A SUBSIDIARY**

STATEMENTS OF CASH FLOWS

	Consolidated		Parent Company	
	Years Ended December 31			
	2016	2015	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Excess of revenue over expenses before income tax	₱15,394,511	₱3,763,180	₱12,428,079	₱3,595,553
Adjustments for:				
Provision for impairment, credit and inventory losses	5,129,211	2,536,553	4,880,382	3,137,507
Share in net income of associates	(4,380,103)	(1,934,484)	(4,380,103)	(1,934,484)
Retirement expense, net of contributions	291,678	695,527	235,124	571,142
Depreciation	298,224	541,787	108,376	491,149
Actuarial loss (gain)	(2,336,834)	380,582	(1,832,466)	(91,575)
Dividend income	(181,838)	(145,050)	(181,838)	(145,050)
Interest expense	277,022	132,337	16,462	132,337
Interest income on deposits	(91,021)	(48,999)	(87,112)	(47,170)
Grants	(20,000,000)	(25,000,000)	(20,000,000)	(25,000,000)
Operating income before working capital changes	(5,599,150)	(19,078,567)	(8,813,096)	(19,290,591)
Changes in operating assets and liabilities:				
Decrease (increase) in amount of:				
Receivables	(2,585,048)	988,257	(449,025)	(1,136,034)
Inventories	(4,840,921)	—	—	—
Other assets	4,888,778	176,058	4,878,722	(268,323)
Increase (decrease) in amount of Accounts payable and accrued expenses	9,576,733	(4,484,519)	(1,461,804)	(1,360,177)
Net cash flows generated from (used in) operations	1,440,392	(22,398,771)	(5,878,453)	(22,055,125)
Interest received	91,021	48,999	87,112	47,170
Income tax paid	(866,082)	(12,159)	(17,422)	(11,793)
Net cash flows provided by (used in) operating activities	665,331	(22,361,931)	(5,775,513)	(22,019,748)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Available-for-sale investments	(254,800)	(1,127,500)	(254,800)	(1,127,500)
Property and equipment	(442,250)	(162,510)	—	(35,650)
Investments in associates and subsidiary	—	—	—	(1,031,250)
Dividend received	181,838	1,265,050	181,838	1,265,050
Net cash flows used in investing activities	(515,212)	(24,960)	(72,962)	(929,350)
CASH FLOWS FROM FINANCING ACTIVITIES				
Grants received	15,000,000	25,000,000	15,000,000	25,000,000
Payments of project assistance payable	(1,250,000)	(2,500,000)	(1,250,000)	(2,500,000)
Increase in non-controlling interest	—	586,550	—	—
Interest paid	(16,462)	(132,337)	(16,462)	(132,337)
Net cash flows provided by financing activities	13,733,538	22,954,213	13,733,538	22,367,663
NET INCREASE (DECREASE) IN CASH				
	13,883,657	567,322	7,885,063	(581,435)
CASH AT BEGINNING OF YEAR	3,923,914	3,356,592	1,824,886	2,406,321
CASH AT END OF YEAR	₱17,807,571	₱3,923,914	₱9,709,949	₱1,824,886

CARD MRI INSURANCE AGENCY, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2016	2015
ASSETS		
Cash and Cash Equivalents	₱10,803,346	₱36,562,605
Financial Assets		
Loans and Receivables	30,761,474	109,263,105
Available-for-sale Financial Assets	24,597,868	13,222,655
Property and Equipment - net	455,858	643,061
Investment Properties	11,880,046	8,970,346
Deferred Tax Assets - net	194,142	506,655
Pension Asset - net	2,019,927	—
Other Current Assets	2,161,831	2,746,783
	₱82,874,492	₱171,915,210
LIABILITIES AND EQUITY		
Liabilities		
Trade and other payables	₱35,875,292	₱142,051,598
Pension liability - net	—	257,859
	35,875,292	142,309,457
Equity		
Capital stock	22,232,500	17,656,000
Retained earnings	24,214,048	12,581,626
Remeasurement gain (loss) on defined benefit plan	552,652	(631,873)
	46,999,200	29,605,753
	₱82,874,492	₱171,915,210

CARD MRI INSURANCE AGENCY, INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2016	2015
REVENUE		
Commission income	₱75,211,017	₱50,844,506
Interest income	639,754	779,357
Foreign exchange gain	125,125	—
Other income	21,439	17,893
	75,997,335	51,641,756
EXPENSES		
Underwriting expenses	21,945,090	15,949,897
Training and development	7,999,208	6,546,702
Transportation and travel	5,837,053	5,471,741
Salaries and allowances	4,479,574	3,698,960
Program monitoring and evaluation	2,052,869	1,122,137
Supplies	1,401,099	595,337
Information technology expense	1,376,211	1,461,841
Security and janitorial	1,282,633	744,964
Provision for impairment losses	1,046,337	65,424
Professional fees	828,346	530,281
Insurance	824,920	295,478
Taxes and licenses	533,117	168,600
Pension expense	422,660	364,142
Rent	374,563	187,263
Depreciation	337,346	323,940
Repairs and maintenance	313,310	101,396
Light and water	167,355	141,169
Communication and postage	165,159	152,140
Representation and entertainment	158,867	29,070
Advertising and promotion	40,033	16,096
Interest expense	—	66,623
Other expenses	75,677	109,465
	51,661,427	38,142,666
INCOME BEFORE INCOME TAX	24,335,908	13,499,090
PROVISION FOR INCOME TAX	7,342,058	3,990,998
NET INCOME	₱16,993,850	₱9,508,092

CARD MRI INSURANCE AGENCY, INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2016	2015
NET INCOME	₱16,993,850	₱9,508,092
OTHER COMPREHENSIVE INCOME		
<i>Items that will not to be reclassified to profit or loss in subsequent periods:</i>		
Remeasurement gain on defined benefit plan	1,692,179	1,039,670
Income tax effect	(507,654)	(311,901)
	1,184,525	727,769
TOTAL COMPREHENSIVE INCOME	₱18,178,375	₱10,235,861

CARD MRI INSURANCE AGENCY, INC.
STATEMENTS OF CHANGES IN EQUITY

	Capital Stock	Unappropriated Retained Earnings	Remeasurement Loss on Defined Benefit Plan	Deposits for Future Stock Subscription	Total
At January 1, 2016	₱17,656,000	₱12,581,626	(₱631,873)	₱-	₱29,605,753
Issuance of shares:					
Additional infusion during the year	4,576,500	-	-	-	4,576,500
Transaction costs for equity issue	-	(46,848)	-	-	(46,848)
Dividends	-	(5,314,580)	-	-	(5,314,580)
Total comprehensive income					
Net income	-	16,993,850	-	-	16,993,850
Other comprehensive income	-	-	1,184,525	-	1,184,525
At December 31, 2016	₱22,232,500	₱24,214,048	₱552,652	₱-	₱46,999,200
At January 1, 2015	₱9,510,000	₱8,185,984	(₱1,359,642)	₱4,412,000	₱20,748,342
Issuance of shares:					
Transfer from deposits for future stock subscription	4,412,000	-	-	(4,412,000)	-
Additional infusion during the year	3,734,000	-	-	-	3,734,000
Dividends	-	(5,112,450)	-	-	(5,112,450)
Total comprehensive income					
Net income	-	9,508,092	-	-	9,508,092
Other comprehensive income	-	-	727,769	-	727,769
At December 31, 2015	₱17,656,000	₱12,581,626	(₱631,873)	₱-	₱29,605,753

CARD MRI INSURANCE AGENCY, INC.**STATEMENTS OF CASH FLOWS**

	Years Ended December 31	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱24,335,908	₱13,499,090
Adjustments for:		
Interest income	(622,602)	(779,357)
Net change in pension	405,508	430,765
Depreciation	337,346	323,940
Provision for impairment losses	1,046,337	65,424
Foreign exchange gain	(125,125)	–
Loss on disposal of available-for-sale securities	–	15,316
Operating income before working capital changes	25,377,372	13,555,178
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Loans and receivables	77,480,630	9,005,527
Other current assets	584,952	719,222
Increase (decrease) in trade and other payables	(106,176,306)	4,716,828
Net cash flows generated from (used in) operations	(2,733,352)	27,996,755
Contributions made to the retirement fund	(991,115)	(786,045)
Income tax paid	(7,537,199)	(4,186,185)
Net cash flows provided by (used in) operating activities	(11,261,666)	23,024,525
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	597,266	521,363
Acquisitions of:		
Investment property	(2,909,700)	(5,075,000)
Short term investments	–	(1,200,000)
Available-for-sale financial assets	(11,250,088)	(1,242,175)
Property and equipment	(150,143)	(320,732)
Proceeds from disposals of available-for-sale financial assets	–	25,450
Net cash flows used in investing activities	(13,712,665)	(7,291,094)
CASH FLOWS FROM FINANCING ACTIVITIES		
Additional capital infusion	4,576,500	3,734,000
Dividends paid	(5,314,580)	(5,112,450)
Transaction costs for equity issue	(46,848)	–
Net cash flows used in financing activities	(784,928)	(1,378,450)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(25,759,259)	14,354,981
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	36,562,605	22,207,624
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱10,803,346	₱36,562,605

CARD SME BANK, INC., A THRIFT BANK
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2016	2015
ASSETS		
Cash and Other Cash Items	₱8,550,182	₱9,582,664
Due from Bangko Sentral ng Pilipinas	156,044,613	106,715,506
Due from Other Banks	217,923,219	236,909,601
Held-to-Maturity Investments	–	10,967,990
Loans and Receivables	2,773,465,206	1,814,407,006
Property and Equipment	129,507,157	119,937,297
Investment Properties	8,357,492	15,812,550
Intangible Assets	8,795,939	4,840,245
Retirement Asset	75,590,128	45,280,571
Deferred Tax Assets	16,396,816	15,469,585
Other Assets	38,576,206	25,224,117
TOTAL ASSETS	₱3,433,206,958	₱2,405,147,132
LIABILITIES AND EQUITY		
Liabilities		
Deposit Liabilities		
Demand	₱7,911,981	₱4,145,437
Savings	1,891,728,854	1,225,752,973
	1,899,640,835	1,229,898,410
Bills Payable	694,069,886	487,105,882
Income Tax Payable	28,093,464	27,930,999
Other Liabilities	65,768,756	68,369,273
	2,687,572,941	1,813,304,564
Equity		
Common Stock	469,917,000	408,656,400
Surplus	266,182,858	167,819,526
Remeasurement Gains on Retirement Plan	9,534,159	15,366,642
	745,634,017	591,842,568
TOTAL LIABILITIES AND EQUITY	₱3,433,206,958	₱2,405,147,132

CARD SME BANK, INC., A THRIFT BANK
STATEMENTS OF INCOME

	Years Ended December 31	
	2016	2015
INTEREST INCOME		
Loans and receivables	₱1,015,542,517	₱728,384,986
Due from other banks	2,846,661	1,846,590
Held-to-maturity investments	–	654,752
	1,018,389,178	730,886,328
INTEREST EXPENSE		
Deposit liabilities	33,659,960	23,447,058
Bills payable	21,476,385	7,312,365
Others	161,032	129,705
	55,297,377	30,889,128
NET INTEREST INCOME	963,091,801	699,997,200
OTHER INCOME		
Gain on sale of assets - net	4,491,830	1,124,604
Miscellaneous	4,633,560	3,862,123
TOTAL OPERATING INCOME	972,217,191	704,983,927
OPERATING EXPENSES		
Compensation and fringe benefits	293,536,563	211,061,053
Transportation and travel	61,903,741	38,403,705
Taxes and licenses	59,077,255	41,457,784
Occupancy and equipment - related cost	48,174,374	29,459,514
Provision for credit and impairment losses	37,095,217	19,255,026
Employee trainings	34,395,470	20,129,371
Stationery and office supplies	33,544,035	21,980,452
Depreciation and amortization	24,140,022	15,323,000
Information technology	18,961,392	10,116,670
Security, messengerial and janitorial	18,635,849	11,376,626
Representation and entertainment	9,736,713	9,938,765
Program monitoring	9,631,354	6,319,190
Meetings and seminars	8,109,779	11,813,684
Power, light and water	6,936,872	4,884,049
Insurance	6,766,400	6,075,423
Postage, telephone and cable	5,741,664	4,542,992
Professional fees	5,414,473	3,716,874
Honorarium and directors' fees	5,251,392	7,112,000
Repairs and maintenance	4,404,536	3,232,861
Community development	3,122,990	697,299
Fines, penalties and other charges	–	3,187,160
Miscellaneous	7,141,986	4,610,740
TOTAL OPERATING EXPENSES	701,722,077	484,694,238
INCOME BEFORE INCOME TAX	270,495,114	220,289,689
PROVISION FOR INCOME TAX	82,186,578	67,511,417
NET INCOME	₱188,308,536	₱152,778,272

CARD SME BANK, INC., A THRIFT BANK
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2016	2015
NET INCOME	₱188,308,536	₱152,778,272
OTHER COMPREHENSIVE LOSS		
<i>Other comprehensive loss not recycled to profit or loss in subsequent periods:</i>		
Changes in remeasurement gains on retirement plan	(8,332,119)	(7,093,723)
Income tax effect	2,499,636	2,128,117
	(5,832,483)	(4,965,606)
TOTAL COMPREHENSIVE INCOME	₱182,476,053	₱147,812,666

CARD SME BANK, INC., A THRIFT BANK
STATEMENTS OF CHANGES IN EQUITY

	Common Stock	Surplus	Remeasurement Gains on Retirement Plan	Total
Balance at January 1, 2016	₱408,656,400	₱167,819,526	₱15,366,642	₱591,842,568
Collection of subscriptions receivable	61,260,600	—	—	61,260,600
Total comprehensive income (loss) for the year	—	188,308,536	(5,832,483)	182,476,053
Cash dividends declared	—	(89,945,204)	—	(89,945,204)
Balance at December 31, 2016	₱469,917,000	₱266,182,858	₱9,534,159	₱745,634,017
Balance at January 1, 2015	₱296,943,600	₱114,941,606	₱20,332,248	₱432,217,454
Collection of subscriptions receivable	111,712,800	—	—	111,712,800
Total comprehensive income (loss) for the year	—	152,778,272	(4,965,606)	147,812,666
Cash dividends declared	—	(99,900,352)	—	(99,900,352)
Balance at December 31, 2015	₱408,656,400	₱167,819,526	₱15,366,642	₱591,842,568

CARD SME BANK, INC., A THRIFT BANK
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱270,495,114	₱220,289,689
Adjustments for:		
Provision for credit and impairment losses	37,095,217	19,255,026
Depreciation and amortization	24,140,022	15,323,000
Retirement expense	7,756,290	7,289,679
Gain on sale of assets - net	(4,491,830)	(1,124,604)
Amortization of bills payable	1,708,386	375,024
Amortization of discount on held-to-maturity investments and unquoted debt securities	481,490	177,007
Reversal of impairment losses on investment property	(143,697)	(1,371,145)
Amortization of finance lease obligation	64,344	—
Changes in operating assets and liabilities:		
Increase in the amounts of:		
Loans and receivables	(996,634,907)	(484,738,971)
Other assets	(13,352,089)	(11,980,752)
Increase (decrease) in the amounts of:		
Deposit liabilities	669,742,425	281,508,401
Other liabilities	(6,979,511)	10,616,454
Net cash generated from (used in) operations	(10,118,746)	55,618,808
Income taxes paid	(80,451,709)	(62,629,164)
Retirement contributions paid	(46,397,966)	(26,027,000)
Net cash provided by (used in) operating activities	(136,968,421)	(33,037,356)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment	(30,057,145)	(53,796,681)
Intangible assets	(7,729,392)	(1,326,692)
Proceeds from sale or maturities of:		
Investment properties	13,006,537	620,000
Held-to-maturity investments	10,967,990	—
Property and equipment	899,357	—
CASH FLOWS FROM INVESTING ACTIVITIES	(12,912,653)	(54,503,373)
CASH FLOWS FROM FINANCING ACTIVITIES		
Availments of bills payable	627,575,618	486,730,858
Settlement of bills payable	(422,320,000)	(260,000,000)
Cash dividends paid	(92,526,801)	(97,527,999)
Collections of subscriptions receivable	61,260,600	111,712,800
Deposit for stock subscription	5,201,900	—
Net cash provided by financing activities	179,191,317	240,915,659

	Years Ended December 31	
	2016	2015
NET INCREASE IN CASH AND CASH EQUIVALENTS	₱29,310,243	₱153,374,930
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	9,582,664	6,679,030
Due from Bangko Sentral ng Pilipinas	106,715,506	81,135,679
Due from other banks	236,909,601	112,018,132
	353,207,771	199,832,841
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and other cash items	8,550,182	9,582,664
Due from Bangko Sentral ng Pilipinas	156,044,613	106,715,506
Due from other banks	217,923,219	236,909,601
	₱382,518,014	₱353,207,771
OPERATIONAL CASH FLOWS FROM INTEREST		
Interest received	₱1,010,840,025	₱720,196,192
Interest paid	49,347,756	29,791,673

CARD MRI INFORMATION TECHNOLOGY, INC. AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION

	Consolidated		Parent Company	
	December 31			
	2016	2015	2016	2015
ASSETS				
Current Assets				
Cash	₱32,524,221	₱61,473,148	₱20,367,319	₱61,473,148
Receivables	10,259,183	215,959	325,896	215,959
Other current assets	25,959,530	3,366,282	25,906,043	3,366,282
Total current assets	68,742,934	65,055,389	46,599,258	65,055,389
Noncurrent Assets				
Investments in a subsidiary and an associate	10,390,076	—	62,448,507	—
Property and equipment	46,569,616	11,599,682	46,569,616	11,599,682
Software costs	97,927,737	33,670,042	97,927,737	33,670,042
Retirement asset	11,181,627	—	11,181,627	—
Deferred tax asset	—	1,907,457	—	1,907,457
Other noncurrent assets	799,360	883,000	799,360	883,000
Total noncurrent assets	166,868,416	48,060,181	218,926,847	48,060,181
TOTAL ASSETS	₱235,611,350	₱113,115,570	₱265,526,105	₱113,115,570
LIABILITIES AND EQUITY				
Liabilities				
Current Liabilities				
Trade and other payables	₱22,449,329	₱5,972,552	₱22,399,329	₱5,972,552
Loans payable	25,000,000	—	25,000,000	—
Income tax payable	2,134,858	2,486,843	2,134,858	2,486,843
Total current liabilities	49,584,187	8,459,395	49,534,187	8,459,395
Noncurrent Liabilities				
Loans payable	26,579,545	—	26,579,545	—
Subscription payable	3,850,701	—	47,878,000	—
Deferred tax liability	345,691	—	224,956	—
Retirement liability	—	682,838	—	682,838
Total noncurrent liabilities	30,775,937	682,838	74,682,501	682,838
	80,360,124	9,142,233	124,216,688	9,142,233
Equity				
Capital stock	97,509,596	78,271,416	97,509,596	78,271,416
Retained earnings	42,420,723	30,004,227	42,420,723	30,004,227
Remeasurement gain (loss) on retirement plan	1,160,752	(4,302,306)	1,160,752	(4,302,306)
Foreign currency translation adjustment	293,213	—	293,213	—
Share in other comprehensive loss of a subsidiary and an associate	(74,867)	—	(74,867)	—
	141,309,417	103,973,337	141,309,417	103,973,337
NON-CONTROLLING INTERESTS	13,941,809	—	—	—
	155,251,226	103,973,337	141,309,417	103,973,337
TOTAL LIABILITIES AND EQUITY	₱235,611,350	₱113,115,570	₱265,526,105	₱113,115,570

CARD MRI INFORMATION TECHNOLOGY, INC. AND SUBSIDIARY
STATEMENTS OF INCOME

	Consolidated		Parent Company	
	Years Ended December 31			
	2016	2015	2016	2015
INCOME				
Service	₱122,003,225	₱90,785,704	₱122,003,225	₱90,785,704
Interest	763,857	2,302,006	674,311	2,302,006
Dividends	157,194	153,968	157,194	153,968
Miscellaneous	365,264	580,120	365,264	580,120
	123,289,540	93,821,798	123,199,994	93,821,798
COST OF INFORMATION TECHNOLOGY SERVICES				
	64,482,594	27,597,667	64,482,594	27,597,667
GENERAL AND ADMINISTRATIVE EXPENSES				
Salaries, wages and other benefits	9,890,901	9,467,665	9,890,901	9,467,665
Program, monitoring and evaluation	3,626,365	—	3,626,365	—
Information technology expense	2,722,653	9,517,882	2,722,653	9,517,882
Taxes and licenses	2,311,595	503,017	501,043	503,017
Honorarium	1,966,333	1,991,252	1,966,333	1,991,252
Interest expense	1,824,908	—	1,824,908	—
Staff training and development	1,500,879	956,378	1,500,879	956,378
Travelling expenses	1,232,312	—	1,231,252	—
Fuel and lubricants	1,190,318	2,220,029	1,189,218	2,220,029
Management and other professional fees	1,021,579	3,877,458	971,579	3,877,458
Miscellaneous	4,986,366	15,137,210	4,698,291	15,137,210
	32,274,209	43,670,891	30,123,422	43,670,891
	96,756,803	71,268,558	94,606,016	71,268,558
INCOME BEFORE SHARE IN NET LOSS OF A SUBSIDIARY AND AN ASSOCIATE	26,532,737	22,553,240	28,593,978	22,553,240
SHARE IN NET LOSS OF A SUBSIDIARY AND AN ASSOCIATE	(1,147,325)	—	(1,645,502)	—
INCOME BEFORE INCOME TAX	25,385,412	22,553,240	26,948,476	22,553,240
PROVISION FOR INCOME TAX	8,549,889	6,592,340	8,531,980	6,592,340
NET INCOME	₱16,835,523	₱15,960,900	₱18,416,496	₱15,960,900
ATTRIBUTABLE TO:				
Parent Company	₱18,416,496	₱15,960,900	₱—	₱—
Non-controlling interests	(1,580,973)	—	—	—
	₱16,835,523	₱15,960,900	₱—	₱—

CARD MRI INFORMATION TECHNOLOGY, INC. AND SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME

	Consolidated		Parent Company	
	Years Ended December 31			
	2016	2015	2016	2015
NET INCOME	₱16,835,523	₱15,960,900	₱18,416,496	₱15,960,900
OTHER COMPREHENSIVE INCOME				
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:				
Change in remeasurement loss on retirement plan	7,804,369	(8,726,809)	7,804,369	(8,726,809)
Income tax effect	(2,341,311)	2,618,043	(2,341,311)	2,618,043
	5,463,058	(6,108,766)	5,463,058	(6,108,766)
Other comprehensive income may be reclassified to profit or loss in subsequent periods:				
Foreign currency translation adjustment	821,325	—	418,876	—
Tax effect	(246,398)	—	(125,663)	—
	574,927	—	293,213	—
Share in the other comprehensive loss of a subsidiary and an associate	(146,799)	—	(74,867)	—
	428,128	—	218,346	—
OTHER COMPREHENSIVE INCOME (LOSS)	5,891,186	(6,108,766)	5,681,404	(6,108,766)
TOTAL COMPREHENSIVE INCOME	₱22,726,709	₱9,852,134	₱24,097,900	₱9,852,134
ATTRIBUTABLE TO:				
Parent Company	₱24,097,900	₱9,852,134	₱—	₱—
Non-controlling interests	(1,371,191)	—	—	—
	₱22,726,709	₱9,852,134	₱—	₱—

CARD MRI INFORMATION TECHNOLOGY, INC. AND SUBSIDIARY
STATEMENTS OF CHANGES IN EQUITY

	Equity attributable to the equity holders of the Parent Company						Consolidated		
	Capital stock	Retained earnings	Remeasurement gain (loss) on retirement plan	Share in other comprehensive loss of an associate	Foreign currency translation adjustment	Subtotal	Non-controlling interest	Total	
Balances at January 1, 2016	P78,271,416	P30,004,227	(P4,302,306)	P-	P-	P103,973,337	P-	P103,973,337	
Issuance of capital stock	19,238,180	-	-	-	-	19,238,180	-	19,238,180	
Investment of non-controlling interest	-	-	-	-	-	-	15,313,000	15,313,000	
Total comprehensive income (loss) for the year	-	18,416,496	5,463,058	(74,867)	293,213	24,097,900	(1,371,191)	22,726,709	
Dividend declared during the year	-	(6,000,000)	-	-	-	(6,000,000)	-	(6,000,000)	
Balances at December 31, 2016	P97,509,596	P42,420,723	P1,160,752	(P74,867)	P293,213	P141,309,417	P13,941,809	P155,251,226	
Balances at January 1, 2015	P53,763,158	P17,269,117	P1,806,460	P-	P-	P72,838,735	P-	P72,838,735	
Issuance of capital stock	24,508,258	-	-	-	-	24,508,258	-	24,508,258	
Total comprehensive income (loss) for the year	-	15,960,900	(6,108,766)	-	-	9,852,134	-	9,852,134	
Dividend declared during the year	-	(3,225,790)	-	-	-	(3,225,790)	-	(3,225,790)	
Balances at December 31, 2015	P78,271,416	P30,004,227	(P4,302,306)	P-	P-	103,973,337	P-	P103,973,337	

CARD MRI INFORMATION TECHNOLOGY, INC. AND SUBSIDIARY
STATEMENTS OF CHANGES IN EQUITY

	Parent Company				
	Capital stock	Retained earnings	Remeasurement gain (loss) on retirement plan	Share in other comprehensive income of a subsidiary	Foreign currency translation adjustment
					Total
Balances at January 1, 2016	₱78,271,416	₱30,004,227	(₱4,302,306)	₱-	₱103,973,337
Issuance of capital stock	19,238,180	-	-	-	19,238,180
Total comprehensive income for the year	-	18,416,496	5,463,058	(74,867)	24,097,900
Dividend declared during the year	-	(6,000,000)	-	-	(6,000,000)
Balances at December 31, 2016	₱97,509,596	₱42,420,723	₱1,160,752	(₱74,867)	₱141,309,417
Balances at January 1, 2015	₱53,763,158	₱17,269,117	₱1,806,460	₱-	₱72,838,735
Issuance of capital stock	24,508,258	-	-	-	24,508,258
Total comprehensive income for the year	-	15,960,900	(6,108,766)	-	9,852,134
Dividend declared during the year	-	(3,225,790)	-	-	(3,225,790)
Balances at December 31, 2015	₱78,271,416	₱30,004,227	(₱4,302,306)	₱-	₱103,973,337

CARD MRI INFORMATION TECHNOLOGY, INC. AND SUBSIDIARY
STATEMENTS OF CASH FLOWS

	Consolidated		Parent Company	
	Years Ended December 31			
	2016	2015	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	₱25,385,412	P22,553,240	₱26,948,476	P22,553,240
Adjustments for:				
Depreciation and amortization	8,400,675	7,087,356	8,400,675	7,087,356
Retirement expense	2,402,945	807,202	2,402,945	807,202
Interest expense	1,824,908	—	1,824,908	—
Share in net loss of a subsidiary and an associate	1,147,325	—	1,645,502	—
Interest income	(763,857)	(2,302,006)	(674,311)	(2,302,006)
Loss on disposal of property and equipment	501,553	—	501,553	—
Provision for impairment losses	—	31,966	—	31,966
Changes in operating assets and liabilities:				
Decrease (increase) in the amounts of:				
Receivables	(10,092,323)	422,225	(159,036)	422,225
Other current and non-current assets	(24,880,475)	(2,484,660)	(24,826,988)	(2,484,660)
Increase (decrease) in the amounts of:				
Trade and other payables	(17,102,556)	(1,734,112)	(17,152,556)	(1,734,112)
Net cash generated from (used in) operations	(13,176,393)	24,381,211	(1,088,832)	24,381,211
Income tax paid	(6,800,069)	(3,401,520)	(6,782,160)	(3,401,520)
Contributions to retirement fund	(6,463,041)	(5,058,239)	(6,463,041)	(5,058,239)
Interest paid	(1,824,908)	—	(1,824,908)	—
Interest received	812,956	2,252,907	723,410	2,252,907
Net cash provided by (used in) operating activities	(27,451,455)	18,174,359	(15,435,531)	18,174,359
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Software	(50,166,917)	(33,613,914)	(50,166,917)	(33,613,914)
Property and equipment	(17,890,316)	(12,648,430)	(17,890,316)	(12,648,430)
Investment in a subsidiary and an associate	(7,077,674)	—	(15,937,500)	—
Cash used in investing activities	(75,134,907)	(46,262,344)	(83,994,733)	(46,262,344)
CASH FLOWS FROM FINANCING ACTIVITIES				
Availment of loans	57,456,490	—	57,456,490	—
Proceeds from issuance of shares of stocks from settlement of subscription receivable	19,238,180	24,508,258	19,238,180	24,508,258
Investment of non-controlling interest	15,313,000	—	—	—
Settlement of loans	(12,370,235)	—	(12,370,235)	—
Dividend distribution	(6,000,000)	(3,222,027)	(6,000,000)	(3,222,027)
Net cash provided by financing activities	73,637,435	21,286,231	58,324,435	21,286,231
NET DECREASE IN CASH	(28,948,927)	(6,801,754)	(41,105,829)	(6,801,754)
CASH AT BEGINNING OF YEAR	61,473,148	68,274,902	61,473,148	68,274,902
CASH AT END OF YEAR	₱32,524,221	₱61,473,148	₱20,367,319	₱61,473,148

BOTICARD INC.**STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2016	2015
ASSETS		
Current Assets		
Cash and cash equivalents	₱15,649,604	₱17,176,458
Trade and other receivables	8,085,157	4,041,369
Inventories	5,479,089	9,473,966
Other current assets	437,230	192,761
Total Current Assets	29,651,080	30,884,554
Noncurrent Assets		
Property and equipment	647,247	1,288,952
Intangible assets	121,302	–
Retirement asset	3,737,232	–
Deferred tax assets	–	362,452
Other noncurrent assets	458,583	780,435
Total Noncurrent Assets	4,964,364	2,431,839
	₱34,615,444	₱33,316,393
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	₱1,884,582	₱6,177,854
Value added tax (VAT) payable	475,233	670,460
Income tax payable	173,547	453,677
Finance lease payable	76,541	89,332
Total Current Liabilities	2,609,903	7,391,323
Noncurrent Liabilities		
Retirement liability	–	3,061,453
Financial lease payable - net of current portion	28,222	79,694
Deferred tax liability	824,551	–
Total Noncurrent Liabilities	852,773	3,141,147
	3,462,676	10,532,470
Equity		
Capital stock	22,320,500	20,732,500
Retained earnings	7,574,930	5,336,831
Remeasurement gain (loss) on retirement plan	1,257,338	(3,285,408)
	31,152,768	22,783,923
	₱34,615,444	₱33,316,393

BOTICARD INC.
STATEMENTS OF INCOME

	Years Ended December 31	
	2016	2015
NET SALES	₱59,703,915	₱52,116,741
COST OF SALES	29,167,713	24,567,037
GROSS PROFIT	30,536,202	27,549,704
GENERAL AND ADMINISTRATIVE EXPENSES	15,248,305	11,824,017
SELLING AND DISTRIBUTION EXPENSES	14,727,619	14,576,322
OPERATING INCOME	560,278	1,149,365
OTHER INCOME		
Gain on retirement of asset - net	885,818	108,844
Interest	205,066	200,454
Others	500,424	114,974
	1,591,308	424,272
INCOME BEFORE INCOME TAX	2,151,586	1,573,637
PROVISION FOR (BENEFIT FROM) INCOME TAX	(86,513)	493,855
NET INCOME	₱2,238,099	₱1,079,782

BOTICARD INC.**STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31	
	2016	2015
NET INCOME	₱2,238,099	₱1,079,782
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Items that may not be classified to the statement of income:</i>		
Remeasurement gain (loss) on retirement plan	6,489,637	(4,022,613)
Income tax effect	(1,946,891)	—
	4,542,746	(4,022,613)
TOTAL COMPREHENSIVE INCOME (LOSS)	₱6,780,845	(₱2,942,831)

BOTICARD INC.**STATEMENTS OF CHANGES IN EQUITY**

	Capital Stock	Retained Earnings	Remeasurement Gain (Loss) on Retirement Plan	Total
Balances at January 1, 2016	₱20,732,500	₱5,336,831	(₱3,285,408)	₱22,783,923
Issuance of capital stock	1,588,000	—	—	1,588,000
Total comprehensive income for the year	—	2,238,099	4,542,746	6,780,845
Balances at December 31, 2016	₱22,320,500	₱7,574,930	₱1,257,338	₱31,152,768
Balances at January 1, 2015	₱10,000,000	₱4,257,049	₱737,205	₱14,994,254
Conversion of deposits for future stock subscription to paid-in capital	10,732,500	—	—	10,732,500
Total comprehensive income (loss) for the year	—	1,079,782	(4,022,613)	(2,942,831)
Balances at December 31, 2015	₱20,732,500	₱5,336,831	(₱3,285,408)	₱22,783,923

BOTICARD INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱2,151,586	₱1,573,637
Adjustments for:		
Retirement expense	1,690,952	557,450
Gain on retirement of asset - net	(885,818)	(108,844)
Depreciation and amortization	724,747	752,175
Provision for allowance on inventory losses and credit losses	420,128	—
Interest income	(205,066)	(200,454)
Interest expense	25,070	20,556
Changes in operating assets and liabilities:		
(Increase) decrease in the amounts of:		
Trade and other receivables	(4,155,457)	(2,975,967)
Inventories	3,686,418	(670,662)
Other assets	77,383	(303,141)
Increase (decrease) in the amounts of:		
Trade and other payables	(4,293,272)	2,388,726
VAT payable	(195,227)	124,936
Net cash generated from (used in) operations	(958,556)	1,158,412
Interest income received	205,066	200,454
Income taxes paid	(953,506)	(246,038)
Contribution to retirement fund	(2,000,000)	(800,000)
Net cash provided by (used in) operating activities	(3,706,996)	312,828
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment	(208,726)	(959,590)
Intangible assets	(55,511)	—
Proceeds from:		
Disposal of property and equipment	945,711	261,883
Net cash provided by (used in) investing activities	681,474	(697,707)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of capital stock	1,588,000	3,458,000
Payment of finance lease liability	(89,332)	(59,555)
Net cash flows provided by financing activities	1,498,668	3,398,445
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,526,854)	3,013,566
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	17,176,458	14,162,892
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱15,649,604	₱17,176,458

RIZAL BANK, INC., A MICROFINANCE-ORIENTED RURAL BANK
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2016	2015
ASSETS		
Cash and other cash items	₱5,700,569	₱2,614,949
Due from Bangko Sentral ng Pilipinas	29,888,498	20,674,211
Due from other banks	403,954,915	169,717,670
Loans and receivables	1,333,575,812	806,294,187
Held-to-maturity investments	—	2,000,924
Property and equipment	67,280,885	54,418,602
Retirement asset	17,159,973	6,902,974
Deferred tax assets	12,665,379	5,767,580
Other assets	18,230,705	10,893,982
	₱1,888,456,736	₱1,079,285,079
LIABILITIES AND EQUITY		
Liabilities		
Deposit liabilities		
Regular savings	₱671,161,742	₱322,124,579
Special savings	302,588,550	208,863,014
	973,750,292	530,987,593
Bills payable	438,441,560	291,730,252
Deposits for future stock subscription	4,080,000	—
Income tax payable	21,017,255	13,812,525
Other liabilities	17,736,506	14,392,376
	1,455,025,613	850,922,746
Equity		
Capital stock		
Common stock	177,273,200	123,202,800
Preferred stock	37,003,400	9,827,600
Retained earnings	220,451,908	95,703,594
Remeasurement losses on retirement plan	(1,297,385)	(371,661)
	433,431,123	228,362,333
	₱1,888,456,736	₱1,079,285,079

RIZAL BANK, INC., A MICROFINANCE-ORIENTED RURAL BANK
STATEMENTS OF INCOME

	Years Ended December 31	
	2016	2015
INTEREST INCOME		
Loans and receivables	₱513,862,577	₱308,464,877
Due from other banks	2,978,327	1,846,011
Held-to-maturity investments	19,743	114,793
	516,860,647	310,425,681
INTEREST EXPENSE		
Deposit liabilities	21,676,565	15,772,013
Bills payable	9,781,669	6,313,948
	31,458,234	22,085,961
NET INTEREST INCOME	485,402,413	288,339,720
Miscellaneous	279,274	139,511
TOTAL OPERATING INCOME	485,681,687	288,479,231
OPERATING EXPENSES		
Compensation and benefits	100,666,212	65,473,347
Taxes and licenses	28,650,688	17,892,204
Transportation and travel	26,114,590	11,314,082
Provision for credit and impairment losses	17,037,129	10,740,563
Stationeries and supplies	16,722,415	6,904,884
Rent	13,743,895	7,720,246
Training and development	10,750,111	6,152,903
Depreciation and amortization	10,208,867	6,091,272
Information technology	9,000,175	3,254,724
Security, messengerial, janitorial services	8,345,707	4,895,899
Fuel and lubricants	7,461,710	4,598,022
Power, light and water	3,317,066	2,097,893
Seminars and meetings	2,620,166	1,818,008
Insurance	2,375,300	1,633,009
Professional fees	699,412	1,057,440
Miscellaneous	7,149,996	4,365,203
	264,863,439	156,009,699
INCOME BEFORE INCOME TAX	220,818,248	132,469,532
PROVISION FOR INCOME TAX	65,217,822	39,727,973
NET INCOME	₱155,600,426	₱92,741,559

RIZAL BANK, INC., A MICROFINANCE-ORIENTED RURAL BANK
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2016	2015
NET INCOME	₱155,600,426	₱92,741,559
OTHER COMPREHENSIVE LOSS		
<i>Other comprehensive loss not recycled to profit or loss in subsequent periods:</i>		
Remeasurement losses on retirement plan	(1,322,463)	(6,134,459)
Income tax effect	396,739	1,840,338
	(925,724)	(4,294,121)
TOTAL COMPREHENSIVE INCOME	₱154,674,702	₱88,447,438

RIZAL BANK, INC., A MICROFINANCE-ORIENTED RURAL BANK
STATEMENTS OF CHANGES IN EQUITY

	Capital Stock	Preferred Stock	Retained Earnings	Remeasurement Losses on Retirement Plan	Total
Balances at January 1, 2016	₱123,202,800	₱9,827,600	₱95,703,594	(₱371,661)	₱228,362,333
Issuance of shares	54,070,400	27,175,800	—	—	81,246,200
Total comprehensive income (loss) for the year	—	—	155,600,426	(925,724)	154,674,702
Declaration of dividends	—	—	(30,852,112)	—	(30,852,112)
Balances at December 31, 2016	₱177,273,200	₱37,003,400	₱220,451,908	(₱1,297,385)	₱433,431,123
Balances at January 1, 2015	₱49,000,000	₱—	₱28,962,035	₱3,922,460	₱81,884,495
Issuance of shares	74,202,800	9,827,600	—	—	84,030,400
Total comprehensive income (loss) for the year	—	—	92,741,559	(4,294,121)	88,447,438
Declaration of dividends	—	—	(26,000,000)	—	(26,000,000)
Balances at December 31, 2015	₱123,202,800	₱9,827,600	₱95,703,594	(₱371,661)	₱228,362,333

RIZAL BANK, INC., A MICROFINANCE-ORIENTED RURAL BANK
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱220,818,248	₱132,469,532
Adjustments for:		
Provision for credit and impairment losses	17,037,129	10,740,563
Depreciation and amortization	10,208,867	6,091,272
Retirement expense	2,920,538	2,349,275
Amortization of documentary stamp tax on bills payable	1,790,304	—
Amortization of held-to-maturity investments	924	5,206
Loss on retirement of property and equipment	—	177,781
Loss on sale of investment property	—	90,160
Operating income before changes in operating assets and liabilities:	252,776,010	151,923,789
Increase in:		
Loans and receivables	(541,354,712)	(332,575,222)
Other assets	(8,650,899)	(2,268,541)
Increase in:		
Deposit liabilities	442,762,699	223,637,354
Other liabilities	3,344,130	2,717,462
Net cash generated from operations	148,877,228	43,434,842
Income taxes paid	(64,514,152)	(34,396,295)
Contributions paid to retirement fund	(14,500,000)	(12,000,000)
Net cash provided by (used in) operating activities	69,863,076	(2,961,453)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment	(21,879,812)	(29,164,785)
Unquoted debt securities classified as loans	(3,000,000)	—
Software costs	—	(667,952)
Proceeds from:		
Maturity of held-to-maturity investments	2,000,000	—
Disposals of property and equipment	122,838	73,754
Partial maturity of unquoted debt securities classified as loans	35,958	—
Disposal of investment properties	—	400,000
Net cash used in investing activities	(22,721,016)	(29,358,983)

	Years Ended December 31	
	2016	2015
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from:		
Availment of bills payable	₱497,837,671	₱303,813,585
Issuance of common stock	54,070,400	26,702,800
Issuance of preferred stock	27,175,800	9,827,600
Deposit for future stock subscription	4,080,000	—
Settlement of:		
Bills payable	(352,916,667)	(187,083,333)
Dividend distribution	(30,852,112)	(26,000,000)
Net cash provided by financing activities	199,395,092	127,260,652
NET INCREASE IN CASH AND CASH EQUIVALENTS	246,537,152	94,940,216
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	2,614,949	1,973,592
Due from Bangko Sentral ng Pilipinas	20,674,211	11,071,066
Due from other banks	169,717,670	85,021,956
	193,006,830	98,066,614
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and other cash items	5,700,569	2,614,949
Due from Bangko Sentral ng Pilipinas	29,888,498	20,674,211
Due from other banks	403,954,915	169,717,670
	₱439,543,982	₱193,006,830
OPERATIONAL CASH FLOWS FROM INTEREST		
Interest received	₱509,641,287	₱305,826,699
Interest paid	28,223,922	21,497,110

CARD LEASING AND FINANCE CORPORATION
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2016	2015
ASSETS		
Current Assets		
Cash	₱19,704,769	₱12,793,254
Receivables	31,487,654	18,442,151
Inventories	500,780	1,385,748
Input value added tax - net	6,807,505	7,974,340
Other current assets	3,161,230	6,858,130
	61,661,938	47,453,623
Noncurrent Assets		
Receivables	45,816,823	30,827,205
Equipment held for lease	159,510,786	137,667,027
Property and equipment	643,756	825,990
Investment properties	9,520,960	—
Retirement asset	2,482,379	723,992
Deferred tax asset	—	590,791
Other noncurrent assets	52,000	885,416
	218,026,704	171,520,421
TOTAL ASSETS	₱279,688,642	₱218,974,044
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	₱25,279,088	₱7,415,383
Loans payable	43,183,469	43,813,546
Lease deposits	34,035,017	7,582,125
	102,497,574	58,811,054
Noncurrent Liabilities		
Loans payable	81,468,291	87,977,914
Lease deposits	18,537,790	14,115,381
Deferred tax liability	196,769	—
	100,202,850	102,093,295
	202,700,424	160,904,349
Equity		
Capital stock	50,522,440	42,704,260
Retained earnings	24,701,998	14,843,383
Remeasurement gain on retirement plan	1,763,780	522,052
	76,988,218	58,069,695
TOTAL LIABILITIES AND EQUITY	₱279,688,642	₱218,974,044

CARD LEASING AND FINANCE CORPORATION
STATEMENTS OF INCOME

	Years Ended December 31	
	2016	2015
OPERATING INCOME		
Rental and finance income	₱112,235,416	₱67,803,235
Interest income from receivables financed	7,409,955	3,379,173
	119,645,371	71,182,408
Sales from printing	34,829,246	51,244,094
Cost of sales	(29,538,090)	(43,603,612)
Gross income from printing	5,291,156	7,640,482
Other income	142,812	117,452
	5,433,968	7,757,934
	125,079,339	78,940,342
EXPENSES		
Depreciation and amortization	81,195,000	52,691,307
Interest	8,802,355	4,970,765
Insurance	5,353,996	2,124,510
Compensation and benefits	2,455,504	3,141,963
Program monitoring and evaluation	2,505,912	362,292
Seminars and meetings	1,974,997	1,112,940
Transportation and travel	740,995	482,318
Provision for credit and impairment losses	625,203	1,363,652
Professional fees	346,044	581,861
Supplies and materials	193,329	372,467
Taxes and licenses	180,432	687,454
Rental	120,000	120,000
Staff training and development	103,606	84,586
Utilities	100,120	123,357
Miscellaneous	803,399	474,275
	105,500,892	68,693,747
INCOME BEFORE INCOME TAX	19,578,447	10,246,595
PROVISION FOR INCOME TAX	6,219,833	2,715,756
NET INCOME	₱13,358,614	₱7,530,839

CARD LEASING AND FINANCE CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2016	2015
NET INCOME	₱13,358,614	₱7,530,839
OTHER COMPREHENSIVE INCOME		
<i>Item that may not be reclassified to the statements of income:</i>		
Remeasurement gain (loss) on retirement plan	1,773,897	(1,546,511)
Income tax effect	(532,169)	463,953
	1,241,728	(1,082,558)
TOTAL COMPREHENSIVE INCOME	₱14,600,342	₱6,448,281

CARD LEASING AND FINANCE CORPORATION

STATEMENTS OF CHANGES IN EQUITY

	Capital Stock	Retained Earnings	Remeasurement Gain on Retirement Plan	Total
Balance at January 1, 2016	₱42,704,260	₱14,843,383	₱522,052	₱58,069,695
Collection of subscriptions receivable	4,318,180	—	—	4,318,180
Total comprehensive income for the year	—	13,358,614	1,241,728	14,600,342
Stock dividends declared and distributed	3,500,000	(3,500,000)	—	—
Balance at December 31, 2016	₱50,522,440	₱24,701,997	₱1,763,780	₱76,988,217
Balance at January 1, 2015	₱33,174,200	₱10,112,544	₱1,604,610	₱44,891,354
Collection of subscriptions receivable	9,530,060	—	—	9,530,060
Total comprehensive income for the year	—	7,530,839	(1,082,558)	6,448,281
Cash dividends declared and paid	—	(2,800,000)	—	(2,800,000)
Balance at December 31, 2015	₱42,704,260	₱14,843,383	₱522,052	₱58,069,695

CARD LEASING AND FINANCE CORPORATION
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱19,578,447	₱10,246,595
Adjustments for:		
Depreciation and amortization	81,195,000	52,691,307
Interest expense	8,802,355	4,970,765
Interest income	(7,536,307)	(3,496,625)
Amortization of unearned rental income	(1,579,195)	—
Provision for credit and impairment losses	625,203	1,363,652
Retirement expense	310,701	48,154
Changes in operating assets and liabilities:		
Decrease (increase) in the amounts of:		
Receivables	(31,330,908)	(19,325,146)
Other current assets	(1,075,436)	(13,671,074)
Inventories	884,968	1,515,910
Increase in the amounts of:		
Lease deposits	30,898,624	21,697,506
Trade and other payables	17,956,302	1,513,974
Net cash generated from operations	118,729,754	57,555,018
Interest received	7,202,179	3,496,625
Interest paid	(7,081,048)	(5,024,029)
Contributions to the retirement fund	(295,191)	—
Income taxes paid	(25,270)	(23,490)
Net cash provided by operating activities	118,530,424	56,004,124
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Equipment held for lease	(108,234,894)	(109,061,178)
Property and equipment	(304,463)	(82,629)
Net cash used in investing activities	(108,539,357)	(109,143,807)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Availment of loans payable	42,000,000	80,000,000
Collections of subscriptions receivable	4,318,180	9,530,060
Payments for:		
Settlement of loans payable	(49,187,732)	(32,666,667)
Documentary stamp taxes on loans	(210,000)	(400,000)
Dividends	—	(2,800,000)
Net cash provided by (used in) financing activities	(3,079,552)	53,663,393
NET INCREASE IN CASH	6,911,515	523,710
CASH AT BEGINNING OF YEAR	12,793,254	12,269,544
CASH AT END OF YEAR	₱19,704,769	₱12,793,254

CARD PIONEER MICROINSURANCE INC.
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2016	2015
ASSETS		
Cash and cash equivalents	₱797,363,117	₱505,696,991
Insurance receivables - net	36,661,817	52,599,276
Financial assets		
Financial assets at fair value through profit or loss	8,589,427	8,470,000
Available-for-sale financial assets	20,000	20,000
Held-to-maturity investments	212,200,222	104,349,041
Interest receivable	4,742,109	1,814,544
Deferred acquisition costs	23,157,409	10,092,393
Reinsurance assets	9,497,194	16,658,292
Investment property - net	10	10
Property and equipment - net	2,448,367	2,665,134
Deferred tax assets - net	4,408,876	26,819,662
Other assets	6,528,137	1,896,160
TOTAL ASSETS	₱1,105,616,685	₱731,081,503
LIABILITIES AND EQUITY		
Liabilities		
Insurance contract liabilities	₱253,892,058	₱162,691,525
Insurance payables	8,578,523	46,242,864
Deferred reinsurance commissions	41,760	70,448
Pension liability	4,289,801	2,084,704
Accounts payable and other liabilities	63,134,186	13,041,402
Income tax payable	38,830,599	175,752
TOTAL LIABILITIES	368,766,927	224,306,695
Equity		
Capital stock	500,000,000	490,196,100
Contributed surplus	89,019,631	28,823,532
Retained earnings (deficit)	147,478,479	(12,235,717)
Net remeasurement gain (loss) on defined benefit obligation	351,648	(9,107)
TOTAL EQUITY	736,849,758	506,774,808
TOTAL LIABILITIES AND EQUITY	₱1,105,616,685	₱731,081,503

CARD PIONEER MICROINSURANCE INC.
STATEMENTS OF INCOME

	Years Ended December 31	
	2016	2015
REVENUE		
Gross earned premiums on insurance contracts	₱380,382,552	₱167,685,257
Reinsurers' share of gross earned premiums on insurance contracts	(22,843,634)	(31,208,260)
Net earned premiums	357,538,918	136,476,997
Investment and other income	23,197,710	16,961,125
Commission income	126,617	1,096,876
Foreign currency exchange gains - net	13,944	128,604
Total Revenue	380,877,189	154,663,602
BENEFITS, CLAIMS AND EXPENSES		
Gross insurance contract benefits and claims paid	72,196,514	58,183,011
Reinsurers' share of gross insurance contract benefits and claims paid	(18,082)	(113,604)
Gross change in provision for claims reported	(10,127,237)	19,922,153
Net insurance benefits and claims	62,051,195	77,991,560
Commission expense	43,540,862	27,954,518
General expenses	49,415,355	35,625,957
Interest expense	109,447	125,175
Provision for impairment losses	281,835	—
Total Benefits, Claims and Expenses	155,398,694	141,697,210
INCOME BEFORE INCOME TAX	225,478,495	12,966,392
PROVISION FOR INCOME TAX	65,764,299	2,958,437
NET INCOME	₱159,714,196	₱10,007,955

CARD PIONEER MICROINSURANCE INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2016	2015
NET INCOME	₱159,714,196	₱10,007,955
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Items that will not be recycled to profit and loss</i>		
Remeasurement gain (loss) on defined benefit obligation	360,755	(9,107)
TOTAL COMPREHENSIVE INCOME	₱160,074,951	₱9,998,848

CARD PIONEER MICROINSURANCE INC.
STATEMENTS OF CHANGES IN EQUITY

	Capital Stock	Contributed Surplus	Net Remeasurement Gain (Loss) on Defined Benefit Obligation	Retained earnings (Deficit)	Total
At January 1, 2016	₱490,196,100	₱28,823,532	(₱9,107)	(₱12,235,717)	₱506,774,808
Issuance of shares	9,803,900	60,196,099	—	—	69,999,999
Net income	—	—	—	159,714,196	159,714,196
Other comprehensive income	—	—	360,755	—	360,755
Total comprehensive income	—	—	360,755	159,714,196	160,074,951
At December 31, 2016	₱500,000,000	₱89,019,631	₱351,648	₱147,478,479	₱736,849,758
At January 1, 2015	₱490,196,100	₱28,823,532	₱—	(₱22,243,672)	₱496,775,960
Net income	—	—	—	10,007,955	10,007,955
Other comprehensive loss	—	—	(9,107)	—	(9,107)
Total comprehensive income (loss)	—	—	(9,107)	10,007,955	9,998,848
At December 31, 2015	₱490,196,100	₱28,823,532	(₱9,107)	(₱12,235,717)	₱506,774,808

CARD PIONEER MICROINSURANCE INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱225,478,495	₱12,966,392
Adjustments for:		
Pension expense	2,456,405	189,902
Depreciation	1,546,228	1,440,877
Provision for impairment loss	446,667	–
Interest expense	109,447	125,175
Loss on retirement of fixed assets	18,810	57,442
Unrealized foreign exchange gain	(13,944)	(128,604)
Dividend Income	(15,000)	–
Fair value gains	(119,427)	–
Write-off of liabilities	(579,425)	–
Interest income	(22,483,858)	(16,961,125)
Operating income (loss) before changes in working capital	206,844,398	(2,309,941)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Insurance receivables	15,754,072	(13,910,365)
Deferred acquisition costs	(13,065,016)	(1,075,861)
Reinsurance assets	7,062,650	(15,361,313)
Other assets	(4,790,295)	2,319,583
Increase (decrease) in:		
Insurance contract liabilities	91,200,533	90,276,026
Insurance payables	(37,084,916)	43,660,216
Deferred reinsurance commissions	(28,688)	(254,376)
Accrued expenses and other liabilities	50,092,783	(17,760,639)
Net cash from operations	315,985,521	85,583,330
Interest paid	–	(39,666)
Income tax paid	(4,705,179)	(3,898,482)
Net cash from operating activities	311,280,342	81,645,182
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturities of held-to-maturity investments	7,300,147	–
Acquisitions of:		
Held-to-maturity investments	(116,130,636)	–
Property and equipment	(1,348,271)	(230,357)
FVPL financial asset	–	(8,470,000)
Interest received	20,535,601	18,396,798
Dividends received	15,000	–
Net cash from (used in) investing activities	(89,628,159)	9,696,441

	Years Ended December 31	
	2016	2015
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from issuance of shares of stock	₱9,803,900	₱—
Additions to contributed surplus	60,196,099	—
Net cash from investing activities	69,999,999	—
EFFECT OF EXCHANGE RATE CHANGES ON CASH	13,944	128,604
NET INCREASE IN CASH AND CASH EQUIVALENTS	291,666,126	91,470,227
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	505,696,991	414,226,764
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱797,363,117	₱505,696,991

**RESPONSIBLE INVESTMENTS FOR SOLIDARITY AND EMPOWERMENT
(RISE) FINANCING COMPANY, INC.**

STATEMENTS OF FINANCIAL POSITION

	December 31	
	2016	2015
ASSETS		
Current Assets		
Cash on hand and in banks	₱3,806,931	₱2,454,278
Loans and receivables	14,561,352	15,043,590
Other current assets	196,931	84,697
	18,565,214	17,582,565
Noncurrent Assets		
Loans and receivables	2,990,382	4,873,994
Property and equipment	1,256,915	1,586,168
Investment properties	15,954,608	16,351,400
	20,201,905	22,811,562
	₱38,767,119	₱40,394,127
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other accrued expenses	1,834,464	3,739,473
Income tax payable	83,904	–
Loans payable	–	2,500,000
	1,918,368	6,239,473
Noncurrent Liabilities		
Retirement liability	341,828	1,060,375
Deferred tax liability	352,909	157,777
	694,737	1,218,152
	2,613,105	7,457,625
Equity		
Common stock	42,500,000	42,500,000
Treasury stock	(2,901,307)	(2,901,307)
Deficit	(3,516,633)	(6,278,838)
Remeasurement gains (losses) on retirement liability	71,954	(383,353)
	36,154,014	32,936,502
	₱38,767,119	₱40,394,127

**RESPONSIBLE INVESTMENTS FOR SOLIDARITY AND EMPOWERMENT
(RISE) FINANCING COMPANY, INC.**

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2016	2015
INCOME		
Leasing	₱2,819,677	₱3,651,144
Interest		
Receivables financed	255,070	240,369
Cash in banks	5,415	6,528
	3,080,162	3,898,041
INTEREST EXPENSE	81,078	220,417
NET INTEREST AND LEASING INCOME	2,999,084	3,677,624
Gain on sale of an investment property	2,213,353	–
Gain on foreclosure of investment properties	–	525,924
Service charges and fees	–	30,000
Others	604,307	174,765
TOTAL OPERATING INCOME	5,816,744	4,408,313
OPERATING EXPENSES		
Compensation and fringe benefits	1,099,770	1,272,112
Honorarium	568,316	292,500
Provision for (reversal of) credit and impairment losses	(485,088)	2,644,409
Depreciation expense	327,788	317,761
Marketing and program expenses	301,587	325,915
Taxes and licenses	275,174	342,616
Management and professional fees	266,293	394,804
Transportation expense	264,803	262,561
Postage, telephone and cables	94,939	128,945
Insurance expense	91,642	113,202
Asset acquired expenses	–	750,295
Others	154,001	383,047
TOTAL OPERATING EXPENSES	2,959,225	7,228,167
INCOME (LOSS) BEFORE INCOME TAX	2,857,519	(2,819,854)
PROVISION FOR INCOME TAX	95,314	215,604
NET INCOME (LOSS)	2,762,205	(3,035,458)
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Items that do not recycle to profit or loss in subsequent periods:</i>		
Remeasurement gains (losses) on retirement liability, net	455,307	(799,423)
TOTAL COMPREHENSIVE INCOME (LOSS)	₱3,217,512	(₱3,834,881)

RESPONSIBLE INVESTMENTS FOR SOLIDARITY AND EMPOWERMENT (RISE) FINANCING COMPANY, INC.

STATEMENTS OF CHANGES IN EQUITY

	Common Stock	Treasury Stock	Deficit	Remeasurement Gains (Losses) on Retirement Liability	Total
Balance at January 1, 2016	₱42,500,000	(₱2,901,307)	(₱6,278,838)	(₱383,353)	₱32,936,502
Total comprehensive income for the year	–	–	2,762,205	455,307	3,217,512
Balance at December 31, 2016	₱42,500,000	(₱2,901,307)	(₱3,516,633)	₱71,954	₱36,154,014
Balance at January 1, 2015	₱42,500,000	(₱2,901,307)	(₱3,243,380)	₱416,070	₱36,771,383
Total comprehensive loss for the year	–	–	(3,035,458)	(799,423)	(3,834,881)
Balance at December 31, 2015	₱42,500,000	(₱2,901,307)	(₱6,278,838)	(₱383,353)	₱32,936,502

**RESPONSIBLE INVESTMENTS FOR SOLIDARITY AND EMPOWERMENT
(RISE) FINANCING COMPANY, INC.**

STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	₱2,857,519	(₱2,819,854)
Adjustments for:		
Gain on sale of an investment property	(2,213,353)	–
Provision for (reversal of) credit and impairment losses	(485,088)	2,644,409
Depreciation expense	327,788	317,761
Retirement expense	196,986	82,636
Loss on retirement of property and equipment	1,465	–
Gain on foreclosure of investment properties	–	(525,924)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Loans and receivables	4,915,605	493,906
Other current assets	19,585	7,527
Increase (decrease) in accounts payable and other accrued expenses	(2,509,316)	1,731,600
Net cash generated from operations	3,111,191	1,932,061
Income taxes paid	(1,083)	(19,127)
Net cash provided by operating activities	3,110,108	1,912,934
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investment property	800,400	–
Acquisition of investment property	(57,855)	–
Net cash provided by investing activities	742,545	–
CASH FLOWS FROM FINANCING ACTIVITY		
Settlement of loans payable	(2,500,000)	(2,500,000)
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS	1,352,653	(587,066)
CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR	2,454,278	3,041,344
CASH ON HAND AND IN BANKS AT END OF YEAR	₱3,806,931	₱2,454,278
OTHER OPERATIONAL CASH FLOWS		
Interest received	₱3,287,555	₱3,569,600
Interest paid	107,745	257,083

MGA LIKHA NI INAY, INC.**STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2016	2015
ASSETS		
Current Assets		
Cash	₱8,097,622	₱2,099,028
Receivables	2,472,736	336,713
Inventories	6,068,347	1,476,255
Other current assets	414,217	462,361
Total Current Assets	17,052,922	4,374,357
Noncurrent Assets		
Property and equipment	410,552	158,150
Other noncurrent assets	38,088	–
Total Noncurrent Assets	448,640	158,150
TOTAL ASSETS	₱17,501,562	₱4,532,507
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	₱13,896,983	₱2,801,276
Income tax payable	203,390	–
Total Current Liabilities	14,100,373	2,801,276
Noncurrent Liability		
Retirement liability	148,728	596,542
TOTAL LIABILITIES	14,249,101	3,397,818
Equity		
Capital stock	2,617,800	2,617,800
Retained earnings (deficit)	634,661	(1,483,111)
Total Equity	3,252,461	1,134,689
	₱17,501,562	₱4,532,507

MGA LIKHA NI INAY, INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2016	2015
REVENUE		
Gross sales	₱37,988,804	₱9,531,439
Cost of sales	25,857,302	8,153,242
Gross income	12,131,502	1,378,197
Interest income	3,909	1,829
Other income	1,991,027	1,503,415
	14,126,438	2,883,441
EXPENSES		
Outsourced services	1,801,981	243,170
Supplies and materials	1,466,584	317,121
Compensation and employee benefits	1,214,591	1,012,824
Transportation and travel	1,027,086	183,701
Rent	882,534	141,858
Information technology	598,933	17,559
Repairs and maintenance	563,857	27,431
Actuarial loss (gain)	(504,368)	472,157
Staff training and development	487,191	8,960
Program monitoring and evaluation	431,481	80,097
Commission and service charges	318,396	1,125
Management and professional fees	302,148	214,374
Interest	260,560	—
Provisions for (reversal of) inventory losses	248,829	(600,954)
Depreciation	189,848	50,638
Utilities	159,946	45,435
Communication and postage	150,477	120,910
Supervision and examination	112,217	2,319
Insurance	102,124	14,780
Seminars and meetings	93,212	88,814
Taxes and licenses	48,515	45,094
Miscellaneous	1,203,864	228,401
	11,160,006	2,715,814
INCOME BEFORE INCOME TAX	2,966,432	167,627
PROVISION FOR INCOME TAX	848,660	366
TOTAL COMPREHENSIVE INCOME*	₱2,117,772	₱167,261

MGA LIKHA NI INAY, INC.**STATEMENTS OF CHANGES IN EQUITY**

	Capital Stock	Retained Earnings (Deficit)	Total
At January 1, 2016	₱2,617,800	(₱1,483,111)	₱1,134,689
Net income for the year	–	2,117,772	2,117,772
At December 31, 2016	₱2,617,800	₱634,661	₱3,252,461
At January 1, 2015	₱1,000,000	(₱1,650,372)	(₱650,372)
Issuance of capital stocks	1,617,800	–	1,617,800
Net income for the year	–	167,261	167,261
At December 31, 2015	₱2,617,800	(₱1,483,111)	₱1,134,689

MGA LIKHA NI INAY, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱2,966,432	₱167,627
Adjustments for:		
Actuarial loss (gain)	(504,368)	472,157
Retirement expense	124,163	124,385
Provisions for (reversal of) inventory losses	248,829	(600,954)
Interest expense	260,560	—
Depreciation	189,848	50,638
Interest income	(3,909)	(1,829)
Operating income before changes in operating assets and liabilities	3,281,555	212,024
Increase (decrease) in:		
Receivables	(2,136,023)	(136,302)
Inventories	(4,840,921)	885,742
Other assets	10,056	(441,361)
Increase (decrease) in trade and other payables	10,190,659	(863,749)
Net cash generated from (used in) operations	6,505,326	(343,646)
Income tax paid	(782)	(366)
Contribution to the retirement fund	(67,609)	—
Interest received	3,909	1,829
Net cash provided by (used in) operating activities	6,440,844	(342,183)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment	(442,250)	(126,860)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of capital stock	—	1,617,800
NET INCREASE IN CASH	5,998,594	1,148,757
CASH AT BEGINNING OF YEAR	2,099,028	950,271
CASH AT END OF YEAR	₱8,097,622	₱2,099,028



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