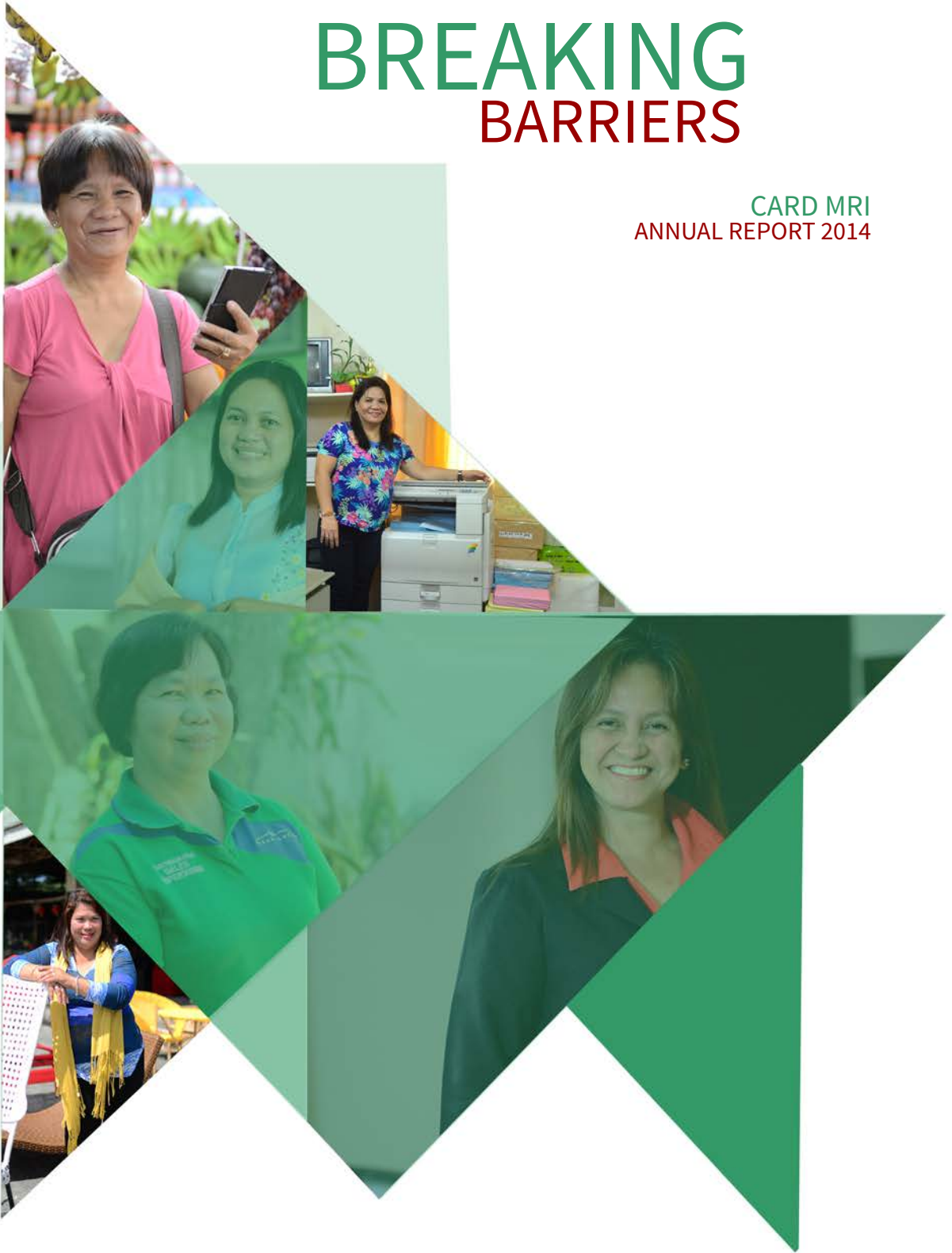


BREAKING BARRIERS

CARD MRI
ANNUAL REPORT 2014





ABOUT^{THE} COVER

CARD MRI exists for its members. Since 1986, it has touched so many lives all over the country. The changes in the lives of these people are what we consider the biggest outcome of the barrier of poverty we continuously break.

In our annual report for 2014, we celebrate the transformed lives of these clients. We integrated the stories of these clients into our own stories, symbolizing that their accomplishments on a personal level is also ours as an institution.

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.





MESSAGE FROM THE FOUNDER AND MANAGING DIRECTOR

DR. JAIME ARISTOTLE B. ALIP

There is no fast track to achieving one's dream. A goal has to be worked hard for, so that it could be realized. CARD MRI's goal has always been poverty eradication. Throughout the years, we have encountered people telling us that this goal is impossible, unattainable.

But ever since, our response has always been the same: we are ready to take on the challenge.

When we started this journey, we knew that we will face barriers and blockages along the way. We are no stranger to challenges. In fact, our institutions were conceived by a challenge in itself. In 1986, we had nothing but a typewriter and a twenty peso bill. Who would have thought that an NGO who only had a few would grow into thirteen institutions, serving almost 2.8 million socioeconomically challenged individuals all over the Philippines?

We did. Because we dreamed, and not once did we lose the determination to make that dream happen. We are moving forward, ready to break any barriers that may possibly come our way.

In 2014, we prepared ourselves for a great challenge ahead of us, the ASEAN Integration. Although we recognize that this change will bring about bigger opportunities for our members, we also know that we have to prepare our institutions as well so we can cope up and further support our members.

With our efforts to educate our members with this great change, we are positive that they can be able to manage and become even more competitive. By 2015, we will be >>

“The figures below show what we accomplished in 2014 in bringing financial inclusion to socioeconomically families all over the Philippines. The financial services we provide to our members are part of our holistic approach in the development of the families we serve.”



2,799,718 CLIENTS SERVED
2,626,130 CLIENTS INCLUDING SAVERS
1,459,895 ACTIVE CLIENTS WITH LOANS
10,694,765 INSURED INDIVIDUALS

PhP 10,635,459,295
 AMOUNT OF LOANS OUTSTANDING



PhP 6,743,444,058
 AMOUNT OF SAVINGS

13 HEAD OFFICES
217 BRANCHES AND AREA OFFICES
1,255 OFFICE UNITS/MICRO BANKING OFFICES
71 PROVINCIAL OFFICES
5 MGA LIKHA NI INAY OUTLETS
18 CLINICS
4 LIAISON OFFICES IN LAOS, MYANMAR, VIETNAM AND CAMBODIA

99.40%
 REPAYMENT RATE
126.41%
 OSS*
120.10%
 FSS**

7,714
 Total number of staff



>> opening Mga Likha ni Inay stores all over the country to assist our clients in marketing their quality products to a greater market. We will also strengthen our IT systems to support our institutions in the upcoming change.

By experience, our faith in our clients have always been strong. We have seen their transformation from being simple housemakers to becoming entrepreneurs.

We are inspired by these women to keep on pursuing our goals. So, in December 2014, we gathered together the first members who started it all: the 89K.

We are grateful for the lives of these 89 women who chose to believe in us when we were just a small institution testing the waters. Because of their trust, our institutions grew bigger and stronger. >>

*Operating Self Sufficiency

**Financial Self Sufficiency

>> We have also strengthened our community development programs this year. One remarkable program we have introduced is the “Healthy Mothers, Healthy Babies: Kalinga Kay Inay Project” in partnership with Microcredit Summit and Freedom from Hunger. We aim to take part in the improvement of maternal health in the Philippines through this project. We have organized community health fairs for pregnant and lactating women and their families, as well as conducted Credit with Education specifically in our centers.

Aside from this, we have also furthered our initiatives to provide>>

1,637,227

**NUMBER OF MEMBERS
WITH ACCESS TO HEALTH
SERVICES**



62,376

**NUMBER OF CLINIC VISITS
(MEMBERS AND NON- MEMBERS)**



240,328

**NUMBER OF FAMILIES
WHO RECEIVED RELIEF
ASSISTANCE**



5,106

**EDUCATIONAL
SCHOLARSHIP
GRANTED**



2,037

**GRADUATED
SCHOLARS**

This year has allowed us to introduce more community development programs to our clients, enabling them access to our programs in health, education, livelihood, and disaster relief assistance, among others.

We are not afraid to go beyond our comfort zones. We broke territorial boundaries when we expanded to new places, which may seem impossible for some. We reached more women and families in hardcore poor communities all over the Philippines.



CARD MRI HEAD OFFICE
San Pablo City, Laguna

Abra	La Trinidad	Sarangani
Agusan del Sur	La Union	Siquijor
Agusan del Norte	Laguna	Sultan Kudarat
Antique	Lanao del Norte	Sulu
Bataan	Leyte	Surigao del Norte
Batangas	Maguindanao	Surigao del Sur
Basilan	Marinduque	Tacloban
Benguet	Masbate	Tarlac
Bicol	Miag-ao	Tawi-Tawi
Bukidnon	Mindoro Occidental	Zambales
Bulacan	Mindoro Oriental	Zamboanga del Norte
Bohol	Misamis Occidental	Zamboanga del Sur
Cagayan	Misamis Oriental	
Capiz	Mountain Province	
Camarines Norte	National Capital Region	
Camarines Sur	Negros Occidental	
Camiguin	Negros Oriental	
Cavite	Nueva Ecija	
Cebu	Nueva Vizcaya	
Compostela Valley	Palawan	
Cotabato – North	Pampanga	
Cotabato – South	Pangasinan	
Davao del Norte	Quezon	
Davao del Sur	Quirino	
Davao Oriental	Romblon	
General Santos	Samar	
Ifugao		
Ilocos Norte		
Ilocos Sur		
Iloilo		
Isabela		

>>education programs for our clients and their families. There had been 2,037 students who have already graduated from our scholarship program.

We have also immediately responded whenever calamities strike. More than 100,000 survivors were assisted through the CARD MRI Disaster Relief and Assistance Package (CDRAP) when Typhoon Glenda hit the country. Similarly, CARD MRI has never forgotten its responsibility to help the survivors of Typhoon Yolanda rise up from the tragedy they faced in 2013. We implemented projects and programs to rehabilitate the affected communities in the Visayas region.





EXECUTIVE COMMITTEE

Dr. Jaime Aristotle B. Alip
Founder and Managing Director, CARD MRI

Dolores M. Torres
President and CEO, CARD Bank, Inc.

Flordeliza L. Sarmiento
President and CEO, Rizal Rural Bank, Inc.

Mary Jane A. Perreras
President and CEO, CARD SME Bank, Inc.

May S. Dawat
General Manager, CARD MBA, Inc.

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

Elma B. Valenzuela
Executive Director, CARD, Inc.

Aristeo A. Dequito
CEO, CARD-BDSFI

Edzel A. Ramos
Institute Director, CMDI

Marivic M. Austria
Senior Vice President, CARD Bank, Inc.

Deverna dT. Briones
Senior Director for Support Group, CARD, Inc.

Edgar V. Cauyan
President, CMIT, Inc.

Jocelyn D. Dequito
Deputy Executive Director, CARD, Inc.

Cynthia B. Baldeo
Executive Vice President, CARD SME Bank, Inc.

Lourdes B. Dijan
Senior Vice President for Finance, CARD Bank, Inc.

Marilyn M. Manila
Community Development Group Director, CARD MRI

Julius Adrian R. Alip
President and CEO, CARD LFC

Vener S. Abellera
Executive Vice President, CPMI



CARD MRI strategizes a succession plan to sustain the values, traditions, and practices it has built for the past 28 years. We are very active in mentoring future leaders of the institutions. By doing so, we are assured that CARD MRI will always be in track of its mission to completely eradicate poverty.

With the executive committee are the following management committee members:

Lyneth L. Derequito

Chief Compliance Officer, CARD Bank, Inc.

Laarne D. Paje

Assistant Vice President for Audit, CARD Bank, Inc.

Rosenda P. Aquino

President, BotiCARD, Inc.

Roselito A. Magpantay

General Manager, CaMIA

Also in the picture is Dr. Enrique L. Navarro, the first CMDI Institute Director who now acts as the Senior Managing Adviser for CMDI.

“With a team whose hearts and passion remain dedicated to poverty eradication, no barrier is too difficult to break. Instead, we triumph upon these challenges, making us stronger and braver than ever.”



MANAGEMENT COMMITTEE

CARD, INC.

Vicente P. Briones, Jr., Senior Operations Director
 Juliana B. De Leon, Senior Operations Director
 Glenda H. Atabay, Operations Director
 Jenahlyn B. Escape, Operations Director
 Anatalia F. Buenaventura, Director for Corporate Legal
 Aniceta R. Alip, Research Director
 Gerardo R. Garcia, Regional Director
 Rolando E. Punzalan, Regional Director
 Vladimer D. Sanchez, Senior Regional Director
 Diomedes D. Alvarez, Senior Regional Director
 Wilma D. Laurio, Regional Director
 Rodel T. Bombase, Regional Director
 Ma. Ana M. Toledo, Regional Director
 Joevill T. Tardio, Regional Director
 Samuel P. Tumbado, Regional Director
 Josef M. Leron, Compliance Deputy Director
 Lousel E. Cortes, Finance Deputy Director
 Alvin M. Villamena, Senior Regional Director
 David A. Burgos, Regional Director
 Dondon A. Mercado, Regional Director
 Louie P. Silvestre, Regional Director
 Alexis N. Garcia, Regional Director
 Sharon D. Roxas, Deputy Director for Treasury
 Pauline B. Landicho, Deputy Director for RMU
 Lourdes A. Medina, Research Technical Manager
 Marina Y. Aranilla, Regional Director

Jowie M. Guevarra, Regional Director
 Larry Jun B. Barcoma, Regional Director
 Florence B. Castillo, Regional Director
 Welland DB. Sales, Regional Director
 Jeffrey R. Rilles, Regional Director
 Juvy S. Ocate, Regional Director
 Marisol M. Mendeliver, Regional Director
 Luzviminda A. Dalisay, Regional Director
 Florife T. Reynido, Regional Director
 Marjorie A. Marasigan, IG Director

CARD BANK, INC.

Marissa M. De Mesa, First Vice President for Operations
 Lyneth L. Derequito, Chief Compliance Officer
 Gaudencio M. Mendoza, AVP for Operations
 Glenda C. Magpantay, Assistant Vice President
 Ronnie D. Fallega, AVP for MFS
 Herminigilda P. Manuba, AVP for Operations
 Neil M. Polinag, HR Director
 Laarne D. Paje, AVP for Audit
 Clarita G. Mercado, Regional Director
 Domingo F. Romasanta, Regional Director
 Erasto L. Panes, Sr. Regional Director
 Rizaline A. Manalo, Regional Director
 Rowena F. Galarde, Account Manager
 Raquel B. Zaragosa, Regional Director
 Jonel A. Rapera, Regional Director





Baby Analyn A. Malaborbor, Regional Director
 Deolito C. Valdemar, Deputy Director for Legal/Security Operation
 Maida B. Decano, Deputy Director for O and A
 Rosafe M. Matunan, HR Director
 Cleofe M. Figuracion, Deputy Director for Corporate Communications
 Fundard P. Buncaras, Regional Director
 Jessica J. Dichoso, Regional Director
 Geralyn C. Macasinag, Regional Director
 Glenda C. Castronuevo, Regional Director
 Marissa P. Escalona, Regional Director
 Ma. Adoracion M. Ola, Regional Director

CARD MBA

Janeth D. Caneo, Deputy Director for Admin and Finance
 Arlene R. Umandap, Senior Program Manager

CMDI

Carissa Monina C. Ramirez, Deputy Director for Training
 Feliciano B. Blanco, Deputy Director for Training
 Christian A. Sandoval, Deputy Director for Training

CARD-BDSFI

Clarissa M. Dimaculangan, Senior Manager

CAMIA

Roselito A. Magpantay, General Manager
 Dominador F. Manalo, Regional Director

CARD SME BANK, INC.

Cherry A. Boncajes, AVP for Operations
 Ronald A. Inciong, AVP for Credit Risk
 Anna Lorraine J. Maur, AVP for Finance
 Noralyn D. Silvestre, Regional Director
 Anita F. Rapera, Regional Director
 Jeffrey M. Rondina, Senior Compliance Officer
 Manolo M. Martinez, AVP for Marketing
 Allan D. Dimaano, Senior Program Manager

CMIT

Roderick D. Mercado, Vice President
 Leyne G. de Galicia, Vice President

BOTICARD

Rosenda P. Aquino, President
 Ronald I. De Mesa, Vice President
 Marites S. Pedraja, Operations Director

RRB

Marlyn M. Marudo, AVP for Operations

EMPC

Aurea D. Magpantay, General Manager

**Also in the pictures are institutional management committee members with consultants and advisers.*



Savings Bank Foundation for International Cooperation (SBFIC), Germany
 Foundation for Sustainable Society, Inc. (FSSI), Philippines
 Grameen Foundation USA, USA
 Freedom From Hunger (FFH), USA
 Plan International, Philippines
 Grameen Trust (GT), Bangladesh
 Embassy of Japan, Philippines
 CORDAID, The Netherlands
 CASHPOR, Malaysia
 Women's World Banking (WWB), USA
 Catholic Relief Services (CRS), Philippines
 OXFAM AMERICA, USA
 World Vision Australia, Australia
 World Vision Development Foundation, Philippines
 Consultative Group to Assist the Poorest (CGAP), USA
 People's Credit and Finance Corporation (PCFC), Philippines
 Asian Community Trust, Japan
 Philippine-Australian Community Assistance Program (PACAP), Philippines
 AusAID, Philippines
 Canadian International Development Agency (CIDA), Philippines
 Land Bank of the Philippines, Philippines
 RKK Fund for Peace, Japan
 Nice Heart Foundation, Japan
 Misereor, Germany
 Department of Agrarian Reform, Philippines
 Department of Trade and Industry Region IV, Philippines
 Mrs. Doris Stivers, USA
 Ms. Martj Buning, The Netherlands
 St. Luke's Methodist Church, USA
 OIKOCREDIT, The Netherlands and Philippines
 ASA, Bangladesh
 Microfinance Council of the Philippines, Philippines
 United Nations Development Program (UNDP), Philippines
 United Nations Capital Development Fund (UNCDF), USA
 The International Alliance for Women (TIAW), USA
 Pilipinas Shell Foundation, Inc., Philippines
 Ayala Foundation, Philippines
 Bank of the Philippine Islands (BPI), Philippines
 Canadian Cooperative Association (CCA), Canada
 Philippine Geothermal Production Company, Inc., Philippines
 Citibank, Philippines
 Deutsche Bank AG, Germany
 Development Bank of the Philippines (DBP), Philippines
 Hongkong Shanghai Banking Corporation (HSBC) Ltd., Philippines
 Imai Memorial Charitable Trust, Japan
 Janet McKinley and George Miller, USA
 Joe Higdon and Ellen Suddow, USA
 Metropolitan Bank and Trust Company (MBTC), Philippines
 National Livelihood Support Fund (NLSF), Philippines
 Netherlands Embassy, Philippines
 New Zealand Embassy, Philippines
 Nissan-Roren Foundation, Japan
 Peace and Equity Foundation (PEF), Philippines
 Planters Development Bank (PDB), Philippines
 Risho Kosei-Kai Foundation (RKK), Japan
 Rocking Moon Foundation, USA
 Sparkasse Essen, Germany
 St. Luke's Methodist Church, USA
 The Asia Foundation/Give2Asia, USA and Philippines
 Tulungan sa Tubigan Foundation (TSTF), Philippines
 United Coconut Planters Bank (UCPB), Philippines



“Our contribution to
 the development of
 the Philippines and our
 neighboring countries would
 not be possible without the
 help of our partners and
 friends. Their hard work
 and dedication to the same
 mission as ours keep us
 inspired and motivated.”



Washington Z. SyCip, Philippines
 Asia Pacific Rural and Agricultural Credit Association (APRACA), Thailand
 Asian Actuary, Philippines
 Banco de Oro, Philippines
 Bangko Sentral ng Pilipinas (BSP), Philippines
 Bank of the Philippine Islands and Mitsui Sumitomo Insurance (BPI/MS), Philippines
 Cambodian Health Committee (CHC), Cambodia
 Globe Telecom-GXchange, Inc. (GXl), Philippines
 Microventures Inc. (MVI), Philippines
 Microventures Foundation, Philippines
 Grameen Bank, Bangladesh
 ING Bank, Netherlands
 Insurance Commission, Philippines
 International Finance Corporation (IFC)
 KFI Center for Community Development Foundation Inc. (KCCDFI), Philippines
 Micropadala, Philippines
 PhilHealth, Philippines
 Philippine National Reinsurance (PhilNARE), Philippines
 PinoyME Foundation, Philippines
 Pioneer Intercontinental Insurance Inc., Philippines
 PT Triputra Persada Rahmat (TPR), Indonesia
 Quidan-Kaisahan Pag-Inupdanay, Inc., Philippines
 RIMANSI Organization of Asia and the Pacific, Philippines
 Rural Bankers Association of the Philippines, Philippines
 Seilanithih Ltd., Cambodia
 Southeast Asian Interdisciplinary Development Institute (SAIDI), Philippines
 Southern New Hampshire University (SNHU), USA
 Tinh Thuong One Member Limited Liability Microfinance Institution (TYM), Vietnam
 Vietnam Women's Union, Vietnam
 XpressMoney, Abu Dhabi
 Xainiyom Microfinance Institution (XMI), Laos
 Ekphattana Microfinance Institution (EMI), Laos
 Microfinance Center (MFC), Laos



Now, let us further
hear the stories of
how we broke barriers
in 2014 through
the voices of our
members, clients, and
staff from the different
institutions of
CARD MRI.



PURSuing TRANSFORMATIONS

CARD, INC.

Let us follow the stories of two women who pursued transformations in their lives. Anacleta De Torres, a CARD, Inc. member under the Development Services for the Hardcore Poor Program, tells us how the institution enabled her to leverage her strengths and rise up from poverty. While Jocelyn Comaling, grandwinner of Galing ni Nanay Awards 2014, shares how she turned her brainchild - Snad's Trading, into one of the leading businesses in Cebu.

As a 44-year-old mother of five, my life in the municipality of Lopez, which is located in the southern part of Quezon Province used to be a continual struggle. I spent years living in a small makeshift house that swayed every time a typhoon came. My home, which is an hour away from the town proper, has no access to electricity, cellphone signal, and paved roads. While our income as copra and anahaw makers was enough to provide food on the table, our family had no savings, insurance, and security.

But as an optimist with a dream of a better life, I knew that I could do better. When I heard that CARD, Inc. is extending its services to our area, a place where access to financial support is not common, I decided to join right away.

Serving the hardest-to-reach areas in the country and harnessing the

underappreciated strengths of the poor define how CARD, Inc. broke barriers this year. Through the Development Services for the Hardcore Poor (DSHP), the institution reached out to women like myself who live in rural areas and are unreached by financial services.

CARD, Inc. believes that even the poorest among us can reach their full potential if given access to the right tools. Building on this belief, the institution strengthened its strategies and developed flexible guidelines for the hardcore poor. This is very important for me as I used my first loan to buy and raise two pigs. The weekly payment scheme which also covers savings and insurance is reasonable and within my capacity.

Before, I was having a hard time saving. But since we are trained in this program of its importance, I learned to save for the rainy days. Whenever I earn money, I always keep a portion of it as savings.

The institution understands my struggle and as a response, it also introduced financial literacy and other helpful topics in this program. Under DSHP, I do not only receive financial services but education as well. Through the financial literacy aspect, I became more disciplined in managing my family's finances.

Aside from education, I also receive free medical and dental checkup and generic medicines through the Community Health Day.

Today, I feel confident and contented. I recently moved into my new house - a far cry from where I used to live. Together with other women in my community, I am maximizing the tools given to me to rise up from poverty.

Anacleta de Torres

When one of my children got sick, I decided to leave work and become a housewife. While I felt accomplished as a mother, I thought of other ways to support my husband's business. I was already running a general merchandise store when a customer asked me if I could do a printing job. When I found the entrepreneurial spirit within me, I dismissed my fear and embraced the opportunity. The rest, as they say, is history.

From a small enterprise to one of the most trusted printing shops in Cebu, my brainchild - Snad's Trading now caters to the printing needs of hotels, schools, salons, restaurants, and many others, including well-known companies. Fourteen years into the business, I currently employ 11 people and reap an average annual sales of Php 4 million.

CARD, Inc. is a dependable institution for entrepreneurs like me. Through my loans, I was able to buy printers and other equipment, join bidding, and ensure enough cashflow for the business. The institution makes sure that members who need bigger capital, just like myself, are prepared in handling bigger businesses through the Small Business Loan (SBL). This 2014, the institution became more firm in carrying out SBL - a major accomplishment for CARD, Inc.

Members who need bigger financial assistance are continuously tapped and transitioned. This year, a number of units are transitioned to CARD Bank, Inc. and CARD SME Bank, Inc. Like what I have experienced, they also undergo preparation to ensure their readiness in handling bigger businesses and responsibilities. As units are transitioned, CARD, Inc. thought of other strategies to help the expansion process. One is the establishment of a sub-unit, which is still attached to the existing one. This is done to see if a unit's expansion is feasible.

CARD, Inc. has proven that some of the most resourceful and enterprising people do not necessarily live in the bustling business districts of big cities. Some of them are just like me whose work goes largely unnoticed but the impact of our efforts can determine the future of countless families and communities.

Anaclea and I, though in different situations, share the same passion in breaking barriers that are brought upon us by poverty. With the support given to us by CARD, Inc., we continue to chase dreams, push limits, and pursue transformations that will make us contributors of change in our society. *Jocelyn Comaling*





PASSING IT FORWARD

CARD BANK, INC.

It takes a great amount of courage to trust a budding institution. These women, who were brave enough to entrust us with their families' financial needs in 1986, stepped out of their comfort zones and discovered limitless opportunities with us, because they simply believed in our goals.

Bibiana Gesmundo, a mother of four had a hard time establishing the schooling of her children due to their financial status especially when her husband died and left her all the responsibility of supporting their family.

"CARD Bank Inc. had been a great part of what my family has become today. I was 42 years old when I became a member of CARD. Back then, my four children are in grade school and high school. With our financial status alone, we could not have made it through. My husband's small income and our small business of selling candies are not enough to support our family with all the expenses. But when I joined CARD, everything gradually changed. Being a member of CARD gave me hope for the future of my family. Despite all the challenges I went through during the start of my membership, I never gave up. Being a member of CARD gave me enough capital to continue our small business of repacking and selling candies, especially during the time that I became a widow. And with this alone, I was able to send my children to school. Now, my children have degrees in Accountancy, Electronics, AB in English, and Education. It is a great relief that I held on to the hope that CARD gave me way

back in 1989. It helped our family win over poverty and enjoy the life we have today.

It is no surprise that CARD Bank was again awarded by the Bangko Sentral ng Pilipinas for actively pursuing its goal for financial inclusion in 2014. Being the awardee for three consecutive years, it became a Hall of Fame Awardee for being a Financial Inclusion Champion.

Being a part of an institution who is recognized for such a noble cause has made me truly proud."

On the other hand, Nemia Endrinal's problem is not only her status in life but also her lack of confidence to be able to get through.

"I am a member of Bigkis 1 (STIP1) since the late 1980's. During that time, I was a vendor in Sta. Cruz Putol. When I decided to be a member of CARD, I was very shy and I lacked the confidence to face different kinds of people. This was the first obstacle I encountered. Even then, it was very challenging to be a member of CARD especially that we are the first batch. It will greatly test your determination and train you to be a quality member. And for the likes of me who was very introverted, I had a hard time answering the oral exams given by CARD. But since CARD has a lot to offer, not just capital wise,



89K, CARD Bank's pioneering members, transformed their lives by placing their trust with CARD Bank in 1989. From left to right are five of the members of 89K: Bibiana Gesmundo, Leonila Bautista, Felicita Ortega, Lucita Silva, Remedios Pojas, and Nemia Endrinal.

but also in my well-being, I continued and finally passed all the requirements. This achievement gradually developed me to become a confident person. Even though there was a time in my life that I almost gave up due to the strict policy of the institution, I held on to what CARD has done for me and continued on."

Nanay Lucita Ramos Silva will never keep the secret of her success for herself, that's why she shared it to her family members.

"It was 1989 when I joined CARD Bank. Back then, my family lived in Caluan, Laguna, but eventually moved in Sta. Cruz Putol, here in San Pablo City due to our business of planting fruits and vegetables. When I became a member of CARD in 1989, a family friend from CARD urged me to form a group here in our place. Since CARD has a lot to offer, I was convinced to do so. I urged my friends here in our Barangay to join CARD Bank. True to its goal, it helped us in changing our lives for the better. Because of CARD, my family was able to build a house of our own. Also, I was able to support one of my children when she wanted to work abroad.

I know that with CARD, my family has a stable future. Because of this, I encouraged my daughters and sisters-in-law to join. I believe that with them joining, it will also give them the same assurance that I have."

Felicita Ortega proves that to be successful, age doesn't matter.

"I was also a vendor in the school of Sta. Cruz Putol where Nemia and Leonila resides. Along with them I joined CARD Bank even when I was already 60 years old. Due to my age, I was having a hard time recalling the lessons that was taught to us during trainings. But despite that, I never gave up and eventually became a member of CARD. Through CARD, my husband and I were able to build a house of our own. Also our family was able to establish our piggery business. One of my children is also a member of CARD now. It helped us not only in providing capital for our business, but it also taught us how to improve our business for the better. Indeed, CARD Bank is the bank for your family.

I feel at ease that CARD Bank is here to stay. In the future, when my grandchildren are old enough, I know that they will continue receiving the same kind, or even better, of service I receive from the microfinance-oriented rural bank. CARD Bank is protective of its territories, and by territories it means the families they have touched and changed throughout the years. This shows when they started offering educational program for our little ones. They even came up with a product specially designed for kids called

Maagap Savings. I believe that by doing this, CARD Bank ensures that the future generation will hold the same culture and values they have instilled in us, their very first clients.”

CARD Bank is not only professional but also personal. That's why Leonila Bautista never felt alone again, because with CARD Bank, you'll always have a family.

“In 1989, I joined CARD Bank along with Feli and Nemia. I was alone in life back then. I only had a store in Sta. Cruz Putol near the school that is still operating until now. It was very hard for me to establish my small business since I only live alone, but thanks to CARD I was able to get through. CARD has been a great part of my life since then. It helped me establish my business and it also gave me friends who will always be there to help me as I face challenges in life.

Since I became a member of CARD, I never felt alone again because CARD became my family. As I grow older, CARD gave me the assurance for my future. Despite my weak knees, I always look forward to attend center meetings, because this had become the source of my joy. I am very thankful that CARD is a great part of my life. I cherish CARD as the family I never had. “

The success of the family doesn't only depend on the head of the home. Remedios Pojas proves that a strong woman shares the spotlight with her man.

“I was 23 years old when I joined CARD Bank. I became one of the first center chiefs of CARD, one of the first board members to represent the members of CARD, and now, I am also a stockholder. Because of CARD, many of my dreams became a reality. My children were able to finish school, now we have our own house and lot, and also because of all the trainings I went through, I was greatly developed as a leader. CARD made me become the strong woman I am today. Now I am able to help my husband in supporting our family.

Now, 25 years into my membership, CARD continues to innovate new products to assist its members. Even in my old age, I recognize the mobility and convenience that technology has to offer to the new generation. Mobile phones have made it easier for people to connect and communicate.

From what I heard, CARD Bank, through its partnership with CARD MRI Information Technology (CMIT), has pilot-tested konek2CARD. It is a project in which clients can gain access to pay, save, and transact with CARD Bank through their phones.

I understand how this new technology may bring reluctance to some of the members. I must admit, at first, many of us were also reluctant about joining CARD Bank. But we chose to listen, so we learned. I believe that konek2CARD will strengthen the bond the bank and its clients have since we are kept connected anytime, anywhere.”

The five stories above are just five of the 89 pioneering members of CARD, who we fondly call 89K. Some of them already passed away, while some have already migrated in another country. But as we move forward to serving one million clients this year, we will keep in mind these 89 women who gave their faith to us and continued to become testimonies of our success as a microfinance-oriented rural bank.



TAKING CHARGE

CARD MBA, INC.

From being a simple member to becoming the President of the Board of Trustees, Virginia Baldo shares how the experience shaped her as an individual, a mother, and a leader.

Never in my wildest dreams have I imagined that I would exchange my rubber shoes, which I fondly call “goma” shoes, for business suits and leather shoes. I was just a simple person back then, until CARD MBA gave me an opportunity I would never get elsewhere.

Being the President of the Board of Trustees of CARD MBA has allowed me to see firsthand that poverty is no longer a deterrent to afford life insurance. Unlike bigger insurance companies, CARD MBA caters to classes C, D, and E. That, for us, is a huge barrier that CARD MBA was able to break. The way CARD MBA innovates their products is based on our needs, primarily considering our capacity to pay.

Being the President has also allowed me to be a representative of the millions of members of CARD MRI. Through this, I can also voice out my ideas and opinions on how CARD MBA's products is being designed. With the growing demand to support the needs of our fellow members, there is no leeway for stagnant operations. Thus, we constantly innovate and improve to come up with better ways to help and serve the members of the association and their families.

One of these innovations is the Golden Life Insurance Program (GLIP). Even when CARD members grow old, we do not need to leave the institution that has grown close to our hearts. No more mandatory retirement by the age of 70.

GLIP offers members an insurance coverage

until their 100th year of age. This product only needs to be paid in ten years. It was also introduced and promoted to young clients so that when they reach 70, they would still be covered by the institution.

CARD MBA has also thought me to become selfless. I learned not to expect anything in return.

After tragic events and catastrophes that leave clients like us with no source of living while in evacuation centers, the major objective of the relief operation is the clients' welfare. Thus, they did an assessment of affected members right away to provide immediate help. Grocery items and medicines are given for clients' immediate survival, while CARD MBA staff address volumes of claims as fast as possible.

During the aftermath of Typhoon Yolanda, CARD helped our affected co-members and the staff. The whole CARD MRI—the board, management, staff, and the members joined hand-in-hand in supporting one another in rehabilitating the mindset of the people: focusing on bringing back the zeal in working and serving the poor when they themselves were as well in need of help.

CARD MBA also had to deal with backlogs on reports and all the documents that had been washed out. It was a good thing that backing-up files is a common practice at CARD MBA. Files regarding claims, membership, and accounting were recovered. CARD MBA, alongside its regular tasks, works together with CARD MRI Insurance Agency (CaMIA) and CARD Pioneer Microinsurance, Inc. (CPMI) on claim settlements on house and life insurance of members.

Part of its regular work is distributing CARD MRI Insurance Agency (CaMIA) and CARD Pioneer Microinsurance, Inc. (CPMI) products to the different units. Because of this, more families become secured even when calamities strike. This year, the Philippines experienced several typhoons

that came in short intervals causing influx of claims. With thousands of clients' needs to address, the challenge was on how CARD MBA staff managed dealing and responding to claims quickly while doing other tasks at hand. Through the help, support and provided manpower of the board, the management and the whole CARD MRI, quick response to clients' needs was a success. The 1-3-5 model of claims settlement proved effective in these difficult times.

Within five working days, a client who availed our insurance products must be given a decision regarding his/her claims. With this, 96.04% of members' claims was paid within the 1-3-5 days target. Despite the hardships faced, CARD was able to deliver and serve its clients well.

Being hands-on with the operations of CARD MBA has also allowed me to know how the institution works. I have seen how CARD continues to come up with new ways to better serve us. It introduced a change in the system that it once used. This year, the accounting system introduced two computerized systems, namely the CARD MBA system and the General Ledger Module. The challenge, however, was on how the people readily accepted this new change in the system as many find it hard to adjust to innovations.

The institution implemented strategies to enhance major processes, and conducted meetings and workshops to address arising concerns. Adding the support of the whole CARD MRI—its resources, the board, management, staff and the members—breaking these barriers was possible.

With its goal to touch and change more lives, this 2015, CARD MBA has more plans laid ahead. The institution will continue on innovating products to better serve our ever changing needs. Currently, it has been targeting the enhancement of credit life and reinsurance facilities in connection to climate change. With the increase in mortality rates, a loss prevention program will be conducted to look into strategies on how to minimize or prevent such occurrence. It also intends to do continuous expansion of CARD MBA through opening new provincial offices, starting a consolidated membership, and creating a marketing unit as those are needed in the institution.

CARD MBA will never be tired of helping other people. It will always serve its purpose to help eradicate poverty in the country. As part of CARD, I will never forget how the institution made me the person I am today.

TURNING LIVES AROUND THROUGH TRAINING AND EDUCATION

CARD-MRI DEVELOPMENT INSTITUTE, INC.

CMDI has been touching lives of many CARD MRI members and their families through formal education and training programs. Two of these members are Jemely Tulagan, a perfume and liquid soap maker from Valenzuela City, who after attending a training draw inspiration in expanding her business and Marieta Antes, a mother of a recipient of special scholarship program for members of the indigenous people.

I have seen many businesses today that capture great interests from potential entrepreneurs. In one way or the other, training them has been the crucial strategy to create competent entrepreneurs, enhancing their knowledge and skills in handling their own businesses.

Being a resource person for livelihood trainings, specifically for soap and perfume making, I have gained the experiences that molded me to the person I am today. It has brought personal fulfillment when I know that success could be shared with anyone, as long as they are open-minded and optimistic about it. In 2014, CMDI has served over 25,000 clients, meeting CARD MRI's growing demand for training services and exposure visits from within and outside the institution. Combined with the proven viability of being a specialized development training center, CMDI has been challenged to further develop its work and services.

I have been an active CARD member since 2011 and having the responsibility of raising two children, I have

been pushed to engage in any available income-generating opportunities so as to suffice our daily economic needs.

Selling mats had been my initial neighborhood business. In 2010, a CARD member encouraged me to join the institution where I could acquire financial capital to enhance my business.

I grabbed the opportunity and by April 11, 2011, I became a member of the institution. Starting with P 3,000 capital assistance from CARD, I have been determined to improve my own business.

I never knew that from this point on, my life would have its significant change. In 2012, I was invited by CMDI to join in an enterprise seminar about meat processing in Pasay City. Through this training, I got to know different members of CARD who also engage in other businesses.

One member who also attended the training demonstrated perfume-making, creating a potential market for the community I live in. She became my supplier for the raw materials for my perfume, and from P 2,000 capital, I was able to multiply my sales to P5,000. I also shared what I learned to the other members of the center I belong in, and they, too, have started expanding their own businesses.

It continued to increase until the supplier could not meet our group's demand. Having four stable suppliers for the raw ingredients of these products, I was able to meet the demand of my clients. It continued to increase until the market reached from Nueva Vizcaya to Bicol region, indicating the products' significant value and potential for more business expansion.

Challenging as it was, my new perfume and liquid-soap products were patronized by many of my clients.



Facing different difficulties like competition, I chose to step up, learn from the experiences and move forward. Those are the ideals I have learned from the trainings I had with CMDI.

By 2013, I was asked by CMDI to pass on what I learned to other clients of CARD by becoming a resource person to their livelihood trainings. I was able to meet CARD clients all over Luzon and share the knowledge I have of my craft.

Because of this, I have renovated our family's house, and have helped in alleviating our family's financial difficulties. I have become an advocate of change for our internal and external beneficiaries, thus rendering an economically stable community.

This has been a tangible output of the rigorous livelihood trainings CMDI has engaged with various communities. I am very thankful that I have become one of the successful entrepreneurs produced by the trainings given by CMDI. I would not have gotten the state where I am today without the help of the institution and its passion on reaching out to the poor and disadvantaged communities. *Jemely Tulagan*

Despite living in a rural community in Davao Del Sur, my family has always been optimistic in our way of life. Together with my carpenter husband, we raised eight children. We always put considerable attention to quality child rearing and education.

As an active member of CARD and a member of the Bagobo tribe, I have been given the opportunity to qualify my youngest son, Raffy Antes, for a four-year full college scholarship from CMDI in partnership with Brokenshire



educational competence of the institution, making it the core for financial education both in local and national level.

Aside from that, CMDI has tied up with the Commission on Higher Education (CHED) and planned on establishing a tertiary level of education, offering AB in Development Work, major in Microfinance or Microinsurance. The first of its kind course was created to produce development practitioners, who are specialized in organizing and managing microfinance and microinsurance programs. This move has jumped beyond the typical training programs, where national recognition on formal education has been established. As more

College in Davao City. This enabled him to take up the course BS in Business Administration major in Microfinance Management. Every semester, Raffy would receive P 6,000 as an assistance for his tuition fee.

After his graduation in 2013, he immediately started working for CARD MRI as a corporate communications assistant. Our family feels blessed that through this scholarship program, our lives have somehow changed. I am proud that my son is one of the many social development advocates of CARD MRI and he is now part of the mission of eradicating poverty in the Philippines.

My son is just one of the many beneficiaries of the educational programs of CMDI. I am hopeful that many families like mine will be given the chance to have access to quality education. Just last year, CMDI took a leap forward in providing quality education when it established a partnership with the Technical Education and Skills Development Authority (TESDA). CMDI was then approved to offer Microfinance Technology National Certificate II course (NC II in MF Tech).

This course is designed to provide basic microfinance competencies for loan officer aspirants, enabling them to interact with clients in providing microfinance loans and other services for start-up and/or expansion of a small or microenterprise. This certificate gives an edge to CMDI, hailing it as a recognized assessment center for both internal and external graduates of NC II in MF Tech. This uplifts the

development workers are produced, the more lives of people are being changed, fostering an empowered and mobilized community.

The plan to establish a tertiary school leads to the construction of a new school building, located within the vicinity of CMDI's main campus in Bay, Laguna. This will not only foster educational competence, but also attract local entrepreneurs, providing opportunities for community mobilization and development.

CMDI also assists CARD MRI's pool of staff and management by enhancing their capabilities. Selected staff were enrolled for formal education through master and doctorate programs, citing also new courses for AO productivity trainings, internal control and compliance, and advanced course on human resource and management. Faculty of teachers for the vocational and tertiary education has been considerably trained in and outside the institution for the delivery of quality education for student enrollees. E-Learning strategy has also been utilized to accommodate distant education through the use of computers.

CMDI has not only achieved internal organization's success, but has also found to affect the lives of poor people who are deprived of a quality and sustained education.

STITCHING A WORLD CLASS FILIPINO BRAND

CARD-BDSFI

With only P5,000 capital, husband and wife tandem Ariel and Beth Agarao started an embroidery business in their small house in Lumban. She recalls the challenges they came across and how their business grew and widened its reach when she was introduced to CARD.

Mga Likha ni Inay (MLNI) started out as a brand and marketing program of the CARD-BDSFI for products made from locally sourced materials by CARD clients and members. It has been helping microentrepreneurs like me in introducing our world-class talents and products to the mainstream market since 2005. They gave me the opportunity to show my embroidered products not only at local venues but also abroad.

Working for six years in the embroidery industry helped me a lot in preparing to launch my own business. However, as a newcomer and a small player in the vast embroidery

industry of Lumban, I knew that we will be facing a lot of barriers, one of which is our small startup capital. Fortunately, we were able to make it work by spending all of it on fabrics and other raw materials. My husband took care of logistics while I was responsible for embroidering.

We did not have a customer base since we were new in the business. The lack of venues to promote our products hindered our growth as a business. Luckily, I was introduced to CARD-BDSFI and later to MLNI.

In 2010, I met my first customer from CARD, Edgar Cauyan, the President of CMIT. That same year I joined CARD as a member, and then, not just orders started pouring in but also opportunities.

I am one of the 343 regular suppliers of MLNI products. MLNI gets the products from members and handles the marketing and selling aspect. Our embroidered



Barongs, Filipinianas, shawls, pouches, bags and other products are being sold at the MLNI stores. By 2014, they have established five MLNI outlets and are targeting to open 10 more next year. They are also planning to implement a point of sale system to make inventory and warehouse management more efficient.

CARD-BDSFI guided me and other members in professionalizing and institutionalizing our businesses in preparation for the ASEAN Integration. They conducted capacity-building workshops to help us improve our products and business processes so that we can compete with the big players in the mainstream market and participate in the ASEAN Integration. A total of 328 members participated in these workshops and 101 new products were developed with packaging.

In an effort to make the brand stand out, MLNI was separated from CARD-BDSFI to function as a new business in July 2014. To celebrate the launch of the new business, MLNI organized its fifth fashion show, and their first in Visayas, in SM City Cebu. They featured our embroidered and hand painted apparels and fashion accessories as well as other products made by local artisans.

By 2014, MLNI has already organized a total of 12 successful fashion shows all over the Philippines and participated in 25 trade fairs. I was able to showcase our embroidered and hand painted clothing and accessories, some of which were made from piña cocoon, in those events.

They took another big step towards making it a truly world-class Filipino brand when they attended the Creative Micro-Entrepreneur–Potentials Unleashed fashion show in Hanoi, Vietnam in November 2014, bringing along with them the products made by women microentrepreneurs.

One of the most unforgettable experiences I have with

CARD was when I traveled with them to Laos to attend trade fairs and fashion shows a couple of years ago. I couldn't believe that my creations were brought to foreign countries. I am thankful and thrilled every time local clients appreciate our products and even more so when people from other countries value our intricately embroidered works.

Today, about 50 percent of our sales come from MLNI. All these exposure provided us the opportunity to reach more people and increase our income.

After MLNI's spinoff from CARD-BDSFI, the latter focused on intensifying its programs that address climate change. Under the Luntiang Bukid ni Inay program, they started a farming contest at typhoon-stricken areas. The contest entails managing a 36 sqm farming lot where members were tasked to plant a variety of crops. A total of 13,346 seed packets were distributed to members. BDSFI also built four demo farms where they introduced and tested various technologies including goat raising and pick and pay.

CARD-BDSFI increased the distribution of bamboo planting materials, 7,181 in total, to provinces through the Kawayanan ni Inay program. The program was also launched in Tacloban, Leyte on June 12, 2014. Bamboo, a type of grass that can withstand flooding, were given out for free to communities. After a year, they revisited the recipient communities to guide them in creating accessories out of bamboo.

In the coming years, I hope to expand our business by creating new products that we can be proud of. One of my dreams is to have a shop complete with embroidery and tailoring equipment, and strategically located along the highway. With MLNI and BDSFI behind my back, I know that I can take Agarao Gowns and Barong Embroidery closer to that dream.





MAKING THE RIGHT CHOICE

CaMIA

To be born poor is not our fault, but to die the same is not an excuse. This is an old saying that expresses how a person may be born unprivileged in life, but to enjoy the fullness of it is our choice. A will to choose is what we all have in our own disposal regardless of our social status. Therefore, how we spend it will determine the kind of future we will enjoy.

Corazon Modales is not new to this kind of life. She may have few choices in her life in the past, but she spent it wisely.

I am 54 years old now, happily married and have a

family of my own. But if you would ask me what my dream would be, I still want to finish college to take up a course in education. I only finished high school. Because my family was poor, my parents cannot support my schooling.

Aside from that, it is a trend during my time that most of those who were able to go through college were not able to finish their respective courses, and if they do, they choose to get married early. Therefore, my parents did not pursue to send me to college because they are afraid that the same might be my fate. Unlike these days that there are many institutions that give scholarships to the less fortunate, during our time there was no such thing yet. Despite my educational background, and the kind of life I have back then, this does not stop me from pursuing a better life for me

and my present family.

It was March 21, 2001 when I became a member of CARD. It has been 13 years now and it has completely changed the course of my life. Being a member of CARD is not easy. In fact I almost resigned in 2003. But I realized that all the hardship I went through during those years, I still hold on to the hope that the time will come that I will be able to enjoy the fruits of my labor. In 2005, I was given the privilege to become a center chief.

Now, I am enjoying the life that I did not imagine I will have. I was able to travel in different places here and abroad. But behind all of these are the responsibilities and pressure of being a leader. It is very challenging to keep up with the reputation we have established in our organization. Being accountable for them, there are more tasks at hand compared to what was really given to me. Despite these challenges, I'm still enjoying what I do. I was able to face different kinds of people, and solve different kinds of problems, which I can say developed me into a better leader and an individual. In return, the members in our organization were trained to take responsibility and work together as a team.

In December 2010, I became an Microinsurance Agent (MIA). It was another challenge for me, but I learned that if you believe in the product that you are selling, it will radiate to your customers and you will be able to let them see the same. Convincing potential clients have been a challenge for me. Primarily because it has been a common misconception that insurance is only for those who are well-off. CARD clients and members, who are mostly coming from rural areas, are not an exception to this existing mindset.

Women coming from these rural communities cannot be blamed if they have a hard time subscribing to what our institution has to offer. I can recall the time when insurance was really expensive. When it was first introduced to us, I was delighted that poor families can finally avail of such service.

Whenever I go out and sell CaMIA's insurance, I always have this hope that I will be able to sell, and I do. But it doesn't end there. I always make sure that I never fail to get connected with my clients to remind and follow up their concerns.

However, for this year, the price of our major product, the CaMIA Package Assistance In case of Disaster (PAID) Plan especially the premium ones, were reasonably adjusted from P250 to P450. This is a big barrier for us because, again, we have to convince our clients that the benefits included in the plan are also adjusted to keep up with its price. The challenge here is how we can keep them subscribed to our products given the situation at hand.

The management knew that this adjustment would raise questions especially in the field level. MIAs like myself were trained so that all inquiries regarding this matter were properly addressed. It was a challenge for us, but in the end, we were still able to surpass this challenge. Our overall increase in sales this year is a proof that now, our clients who used to think insurance is not a necessity, still availed of our product despite the increase in the price.

This year, through partnerships with the financial institutions of CARD MRI, a loan program was implemented to give families a chance to avail of insurance in a more convenient way. Through this, members do not have to pay the whole amount of insurance at once. Instead, they can pay this on a weekly basis. The provision of such loan also became one of the factors that contributed to the attendance rate of the members of CARD MRI's financial institutions in 2014.

An increase in sales also means an increase of number of individuals and households covered by product we provide. In 2013, we were challenged with the number of claims due to Typhoon Yolanda. But because of this, we learned on how to keep up with such demand.

An increase of number of sales also means an increase in the number of claims processing for us. The number of claims we received, as our country faced a number of calamities one after the other in 2014, were overwhelming. But this also burned the fire in our hearts that these figures signify that we provided a means for families to start anew after a calamity they faced.

Be it a center chief or an agent in CaMIA, I learned not to settle for less than what I believe I can do. It's all about believing and enjoying what you do. I may not have graduated college and get the dream I once had, but everything I have now and am doing is more than what I dreamed of.



GROWING TOGETHER

CARD SME BANK, INC.

Julito de Torres was a sales agent in a commercial company for light fixtures when he suddenly thought of starting his own business during his sales rounds. From having just a small shop, his business grew and flourished.

To open a small electrical supplies store, I pawned the land my mother gave me and raised P270,000. I kept my regular job while my wife manned the store at first, then I decided to focus on the business in 2008.

It was a huge risk to quit my job, but I knew it was time to expand. Just like any other member, I started with a meager loan of P5,000. I initially asked myself, what can P5,000 even do? But still, I continued to persevere. I always make sure I attend my center meetings every Monday.

Patience is indeed a virtue. After some time, I was granted a loan of P150,000. With this loan, I bought an Elf truck—until

then, I had only used a tricycle. I was finally able to take on bigger orders, and with another P300,000 loan, I opened a much bigger store within the Sto. Tomas town proper. I started selling gravel, sand and building materials.

After banking with CARD SME Bank for several years, I have proven that this bank is hard at work to ensure that it provides quality service to its clients and to remain relevant to its market.

As SME clients, our needs continue to evolve and grow. I am looking forward to CARD SME Bank's plans of undertaking a massive overhaul of their core banking system that will enable all its branches to go online. This improvement will also allow them to roll out ATMs.

This technological advantage may already be old

to bigger banks. There is one thing, though, that is incomparable about CARD SME Bank: they are familiar with the landscape of the people and the areas they serve. Their strength has always been and will remain in their heartfelt person-to-person service, which other banks cannot do at this point.

As much as we trust our bank, we their clients know that they reciprocate their trust to us, too. They do not ask for any kind of collateral at all. This may be due to the fact that their advocacy is to eradicate poverty in the country. Their focus is to empower and develop people. This means profit often takes a backseat.

Despite putting their social cause on top of their priorities, CARD SME Bank remains a sustainable bank. In fact, it has already prepared itself for the ASEAN Integration in 2015. I am confident that my

bank of choice is ready to compete amidst the heavy competition that may arise during the integration. In 2014, it has served more than 200,000 clients while still keeping a high repayment rate of 99.26%.

CARD SME Bank currently has nine branches across Calabarzon, but soon they will be opening six new branches in Naga, Bulacan, Dagupan, Vigan, Bataan, and Subic. Their microbanking offices will also be consolidated – relocating them to more commercial areas so that they can increase their reach and make their services more accessible to more people in these communities.

It is no doubt that CARD SME Bank stays true to its brand. It is a bank that grows with you.



EMPOWERING INSTITUTIONS
CARD MRI INFORMATION
TECHNOLOGY, INC.

Catherine Sabado, a project management staff, is among the CMIT staff that spearheaded the institution's IT service management initiatives, one of which is the ITmate.

From the beginning, empowering the MRIs has been the core of what we do. As we reflect on the barriers we broke last year, we at CMIT are grateful to be of service to the MRIs by developing technology solutions that help them break barriers of their own and get them closer to their goals.

In 2014, one of the biggest barriers that emerged was that of managing services errors within the IT infrastructure that hinder the MRIs from providing/executing smooth business operations. To take forward our IT service management, we improved it by implementing the Information Technology Infrastructure Library (ITIL) processes and automated it through the Kaseya Service Desk and its Web Portal User Interface or ITmate.

ITmate enables CMIT to efficiently manage incidents, service requests, problems and changes within the IT infrastructure. It also has a task monitoring feature and a knowledge base where we post the latest news and advisories.

Through ITmate's web portal, the MRIs can file tickets about an IT incident, problem, changes and service requests they have encountered or would like to be improved. We will review the submitted ticket and implement solutions or process changes to restore normal service operations as quickly as possible and improve processes.

We conducted trend analysis, targeting support action and information dissemination to the organization to minimize the severity of IT related report and prevent recurrences.

To help us further improve our IT service management, we take into account feedback from ITmate's end users who are the MRIs and its staff. Upon completion of a request, they are encouraged to take a survey to assess the handling of the request.

We always work closely with the MRIs to devise technology solutions that address their needs and bring their products and services more accessible to clients. One such solution was the pilot integration of konek2CARD, a mobile banking application for CARD Bank. The konek2CARD mobile app allows clients to carry out transactions such as balance inquiry, fund transfers, loan payments, and cash out and cash in features. Clients living far away from CARD Bank offices are able to save time and money because they no longer need to go to the bank to complete these transactions. In addition, we

continuously provide support in the deployment of CARD Bank's ATM across the country.

Other key initiatives we completed for CARD Bank is the development of the Stocks Administration System (with an outsourced IT company), Document Management System and the establishment of a Disaster Recovery Center in Mandaluyong City, which operates 24 hours to oversee system uptime and backups.

For CARD MBA, we developed the General Ledger and Refund Modules to improve their microinsurance software. The CARD MBA is the first institution of CARD MRI to have a centralized online general ledger.

The following projects were also fulfilled to support the CARD MRI community:

- Loan Origination & Monitoring System (CARD SME Bank, Inc.)
- Fund Management System (CARD, Inc.)
- Revamping of Institutional Websites

Last year also marked the start of CMIT's journey to redefine CARD MRI's information technology roadmap. The first step of the journey was the Enterprise Architecture (EA) Workshop where an EA blueprint was devised to identify technology needs of the institutions that matches with their short-, medium- and long-term strategies.

Another key development last year was the initiation of the Core Banking System (CBS) project that is expected to bring enhanced operational efficiency, faster product development turnaround, better risk management and regulatory compliance, and scalability. The CBS project is estimated to be ready for first deployment in early 2017.

As part of our commitment to become world-class leaders in the field of IT, our Board of Directors established IT policies, procedures and standards that were adopted by the MRIs. In preparation for breaking barriers that may arise in the future, the CMIT team attended the following trainings and events to further hone our skills and get updated with the latest trend in the IT industry:

- Mobile Money & Digital Payments Asia (Jakarta)
- Best Practice IT Audit and Assurance / Introduction to COBIT 5
- Enterprise Architecture Workshop
- Kaseya Certified Virtual System Administrator
- Software Testing & Software Quality Management
- Skill Standards for IT Professionals Seminar & Workshop
- IT Security Summit
- Developing Windows Communication Foundation
- 19th Graphic Expo 2014 Seminar
- softech.ph: The Philippine Software Engineering Conference
- Java training for all developers
- ISACA (Business Continuity Management Audit Seminar)
- IBM XCITE 2014 (Singapore)
- Certified Business Analysis Professional (CBAP) certification training



CHOOSING HEALTHY BOTICARD INC.

Rosalina Estrella, a member of CARD Bank, Inc. makes the healthier and wiser choice by availing of the health services of CARD through its health program and its pharmacy, BotiCARD.

Every family deserves to have a healthy home. More than anyone, it is a mother's role of keeping her family in their best shape. However, for a mother like me who is faced with a tight budget, I am left to prioritize the basic needs of my family like food and shelter. Sadly, more often than not, health becomes the last of the family's priority.

The common scenario for families living below the poverty line is self-prescription. Because families do not have enough money to consult a physician, all the more to purchase the medicines prescribed after consultation, we just choose to self-medicate.

But that was until BotiCARD came into picture.

I am a member of CARD Bank for several years now. Through the Microfinance and Health Protection Program (MaHP) of CARD MRI, I am able to avail medical services for me and my family for free. But somehow, there was a missing link: medicines were still very difficult for me to purchase since my family did not make much.

Clients of CARD like me saw hope for my family's health and wellness through BotiCARD. In 2011, when I found out that CARD MRI will be establishing a pharmacy that provides medicines for us clients, I was so delighted. For me, it would be a great help since we can avail the medicines prescribed to us at a very affordable price.

From one pharmacy located near the head office of CARD, it now has 13 branches all over the Philippines. This thought makes me glad that more and more mothers like

me can be given the chance to provide our family with the best health services.

With a stronger manpower, BotiCARD is ready to serve more clients of CARD and nearby communities. They are prepared to expand not only in Luzon but in different parts of the Philippines by 2015. They are also planning to open satellite branches in rural and urban areas. Through these plans, health care in the Philippines can be improved.

What's unique with BotiCARD is its Lead, Execute, Achieve and Deliver (LEAD) strategy. Their pharmacists and pharmacy assistants could not only be seen behind the counter in their pharmacies. Instead, they go to CARD center meetings to interact with us and to teach us about how we can better take care of our family's health. Aside from this, they also make access to some medicines easier and faster. Their passion and commitment to bring their service closer to us is an admirable act I have never seen offered elsewhere.

BotiCARD is also a pharmacy that truly cares. In 2014, they also launched the Community-based activity, provide Access, Reduce mortality and morbidity, to Educate and provide Service (CARES), or simply known as BotiCARD CARES. After carefully assessing the cause of death of the members of CARD, it was found that heart attack, stroke, and cardiac arrest are the most common causes. They responded by offering the Daily Maintenance Program (DMP) to ensure the stability of the members' health condition. They reach members who are in far-flung places to promote health awareness and to take prescribed medicines. In this program, they encourage members to stock medicines up that is good for a month. For every 27 pieces of maintenance medicine a client buys, they get four for free. By offering this, they encourage their clients to continuously take the medicines for one month, thus maintaining their health condition. In line with this, their staff also monitor their blood pressures, blood sugar levels, and their over-all health status.

BotiCARD also took up a major role when calamities such as typhoons Santi and Yolanda and the Southwest Monsoon, locally known as "Habagat", happened in the previous years. They ensure that every family received free medicines and vitamins for a month. Up to now, they are part of the team who rebuilds Tacloban, one of the most affected cities in the Philippines during Typhoon Yolanda.

As a client who also aims to keep my family healthy, I am one with BotiCARD in breaking the barriers that poverty put up by supporting their aim of providing Filipinos with affordable and quality medicines.

BRAVING THE STORMS

**RIZAL RURAL BANK
(Taytay, Rizal), INC.**

Leodegaria Gamez, an RRB Client and recipient of the Galing ni Nanay Awards 2014 for RRB tells her remarkable experience on standing tall after facing a difficult challenge and how Rizal Rural Bank, Inc. gave her the hope she was praying for.

There are some things in life that remain uncertain even when we try our best to prevent it. I am no stranger to this. When a typhoon badly hit the Philippines a few years ago, it has affected the lives of many of the residents in Mabitac, Laguna including my family.

Our family's main source of income is our business. Unfortunately, due to this typhoon, many of our products were destroyed. This severed the condition of our business. Most of the capital for my business were loaned. The pressure to pay these loans back were so extreme that my family made the decision to pawn our house and lot.

If it had not been for my faith and my family's support, I could have just given up on my dreams. In 2008, it almost came to me as a heaven-sent blessing when my daughter informed me about a non-government organization offering microfinance loans for microentrepreneurs like me. Though hesitant at first, I made up my mind that this just might be the turning point for Gredasca Handicrafts, the business my family runs.

The Center for Agriculture and Rural Development (CARD), Inc., a non-government organization that aims to uplift the lives of socioeconomically challenged women and their families through access to financial services and community development programs, was the NGO who lifted my spirit up in those darkest times. For me, joining CARD, Inc. was my second chance. Indeed, it trained me become wiser in managing my finances. I was so determined to change my life that I was so dedicated to perform well as a client. I never missed a center meeting. I always paid on time. I always participated in the activities of our center.

It was in 2014 that our center was recognized to be ready to go into formal banking. The former CARD, Inc. unit was then transitioned as a micro banking office (MBO) of Rizal Rural Bank (Taytay, Rizal), Inc. (RRB). Here, we were able to avail new products that assisted our growing business even more. These MBOs serve us clients who used to be unbanked and underbanked by giving us access to financial services suited to our needs. RRB was acquired by the CARD MRI group in 2012.

It is not only in Mabitac, Laguna where such transition happens. Since the areas where RRB are present used to be CARD, Inc. areas, many of the units that are ready to be transitioned become RRB MBOs. We were told that since our accounts were ready for such transition, we can properly cope up with a more formal banking system. We are assured that we will get the same quality service in spite of this major change.

I am definite that my business will be well taken care of since I can also identify strongly with RRB. Back in the days, RRB battled so many challenges, too. One was improving the ratings they got from Bangko Sentral ng Pilipinas (BSP). As a client of RRB, it makes me feel proud that our bank's rating went up. With the dedication of RRB's staff to comply to the rules and the regulations of the central bank, I am sure that in the years to come, they will hit the highest rating that BSP gives.

Because of this notable improvement, BSP approved RRB's request to open 18 new micro-banking offices (MBOs) in the areas of Sta. Cruz, Laguna, San Fernando, Pampanga, and Taytay, Rizal.

RRB, based on experience, is a bank that listens to our needs. Many of us clients have evolving needs; one of these is a savings product that is tailored-fit to our background and lifestyle. We are excited to know that by 2015, RRB will be exploring new and innovative ways to cultivate a savings culture not only with us, their clients, but also with our families. It is one of my aspirations to also teach my children and grandchildren the benefits and advantages of saving for the future.

As I was inspired by RRB's innovative nature, I also innovated my own products. Early in my business, I was only using rattan as the primary raw materials for the furniture I was selling. Now, we also offer furniture made from synthetic materials. We found that these materials



can withstand varying weather conditions that most of our clients are looking for nowadays. For me, this is also an advantage since we can come up with more flexible designs for our products.

We feel so blessed that clients storm our shop and bulk of orders come from different parts of the country and even abroad. Some prominent personalities in the country are even patronizing our products. Some of our furniture are displayed in leading department stores. Proving its quality and competitiveness, our products is now being exported abroad, majorly in South Korea.

I am also pleased that with our business, we can also help other people in our community. As of now, Gredasca Handicrafts is manned by 12 skilled and well-rounded workers. They are not limited to productions, but also accept repairs and restorations as part of our after-sales service.

Now that we earn a stable monthly income, we have acquired a residential lot, three units of tricycle, a motorbike, a Rusco elf, and a delivery truck. Soon enough, we will be finally building our dream house.

I owe my success first to God and next to CARD. I humbly believe that all the blessings I receive now are results of my faith and hard work. RRB and I, we have fought and survived strong storms but we came out even more triumphant. I am certain that we will break any barriers that come our way as long as we work hand-in-hand together.

Technology is helping educators to explore beyond linear, text-based, and traditional learning and to engage students who learn best in other ways. Its role in schools has come far from being just a confined and limited "computer class" into a versatile learning tool that could change how we deliver classes, present concepts, and assess progress. This idea will allow us to move a step forward to the future of education. The first endeavor of Saint Louis College, as told by Principal Danilo Romero, to incorporate technology in classes through the use of iPads was made possible through the assistance of RISE Financing Company, Inc.

The concept was not readily accepted by the parents of our students. During our initial orientation with them, they had some qualms about this new program that we are offering. Change, in any form, is not always easy to grasp that is why we understood their concerns. However, we still proceeded with our program, hoping that they will eventually see our vision for the school and the students.

To our surprise, the number of students increased during the initial year of implementation. We had an extended waiting list because the number of enrollees and transferees grew dramatically. Our school, which is located in San Fernando, La Union, even has students from Naguillan and Ilocos Sur. Indeed, this is something very positive for Saint Louis College.

Our Science Sections in Grade 7 are already using iPads in their lessons. But we will go full blast next year and offer this to Grades 7, 8, 9 and 10.

We have a Learning Management System where students can easily access their lessons in the internet. This changes the way our students and teachers collaborate. Students who have homework can just send their output to the teacher through the system. We have also installed a smart TV which serves as the interactive board in our classrooms. Through this, our lessons have become more dynamic and engaging.

After the first year of implementation, we asked the feedback of our students and their parents about the program. We had high rates specifically for mobility and comfort. However, one downside that we received about the program is its cost. According to the feedback, it is too expensive for first year high school students.

We sought the assistance of Responsible Investments

RIISING BEYOND EXPECTATIONS

**RISE FINANCING
COMPANY**

for Solidarity and Empowerment (RISE) Financing Company, Inc. to face this challenge. RISE specializes in supporting educational institutions in terms of facility and technological improvement. Schools who need help in starting e-Learning Technology can count on RISE's efficient service.

Purchasing, installing, and maintaining technology can be quite expensive. But through the lighter mode of payment offered by RISE, costs can be easier for both the school and parents. The service is fast and the staff are very responsive and professional. They also have an efficient after-sales service and personalized customer care. RISE is open to all kinds of concern and it is very important for our school which is just getting its way around this new program.

It is no wonder that they are getting more clients. The institution offers excellent service and is always true to their words. As the principal of Saint Louis Colleges, I am very happy that RISE is there to back up our needs. Exciting days are ahead as RISE partners with more institutions and explored more streamlined services that will help its clients.



CHASING THE BIG DREAM

CARD LFC

Bella Albarico, a CARD LFC client, is the woman behind “Marife’s Homemade Candies.” A dreamer and a doer, this hardworking entrepreneur shows us how she turned an unexpected circumstance into a sweet success.

I wear many hats - I am a mother, a grandmother, and an entrepreneur. But among these roles that I have, being a dreamer is my favorite one.

If there is something that I really know how to do, it is making candies. Years of working in a similar shop taught me valuable things and I knew that if we worked hard enough, we can definitely make it.

While we only have a thousand pesos in our pockets, we made up for it with our unlimited supply of faith and hard work. From the get-go, I decided that I will not be discouraged at the first sight of opposition - whatever form it may be.

It was 1998 when I began to roll up my sleeves and started making candies. I did everything at first - I came up with recipes, bought raw materials, and then cooked and packed the candies. I woke up before sunrise and slept in the wee hours of the morning. It was hard work but there was no room for complaining. I was happy to do the same thing over and over again.

Eventually, my family pitched in and helped in the production process. One of my siblings took charge of deliveries and brought our first few products in Tagaytay. Initially, we made shing-a-ling, macapuno, halaya, and sampaloc candies. Our handmade candies became a crowd favorite in pasalubong centers. The customer feedbacks and growing number of orders fueled my energy and reassured me that I am on the right track. The sleepless nights were all worth it.

I decided that it’s high time to give our products a name. When I launched “Marife’s Homemade





Candies,” I was overwhelmed by the acceptance of our market. There were bulk buyers and huge number of orders. With the growing demand for more candies, we employed more people from our community and developed other products as well. We had to rent a bigger space to accommodate the production of orders. It was in 2000 when our humble shop became well-known. I can see its potential and I felt that I could dream bigger for it.

It was not always a sweet ride as our business experienced bitter hurdles along the way. Typhoons became a big bout for us because buyers would usually return the candies and we had no choice but to accept them. It was part of the deal and though I am concerned about money, I am not the type who would break my word in order to earn. These instances generated losses on our part. And while these losses hurt the business, I realized that none of these really matters if there’s a fire in your heart. It’s that fire inside that drove me to chase my dreams further.

When I joined CARD in 2006, the path towards my dream became clearer. I had increased capital and more importantly, insurance for protection. I was also invited to attend trainings on packaging and marketing, which were helpful in my business. With my increasing needs and good performance, I graduated from microfinance loans and became a CARD SME Bank member. In 2013, I was introduced to CARD Leasing and Finance Corporation or CARD LFC - a newly founded institution, which provides printing, supplies sourcing and pilot projects related to leasing and financing.

I was both excited and nervous. Excited because I know that CARD LFC will help me realize my dream - a building

for our candy display and production. Nervous because with growth comes change and change does not always come easy. But if there’s any institution that understood this, it would have to be CARD LFC. This year, the institution underwent a transition period given that most of its staff came from a foundation. The big leap to a for-profit but mission-oriented group was not an easy task but they pushed themselves past their own limits in order to give better and complementary services to its clients, including myself.

Just like CARD LFC which refined its products and services this year, I continue to come up with more products that will excite the market. With the completion of our building, we are expecting more customers, orders, and even partnerships. I am confident that the institution will also explore more programs, offer its products and services to various clients, and partner with trusted suppliers from different industries.

When budding entrepreneurs ask me how it is done, I tell them that it’s a combination of persistence, hard work, relationship with your customers and employees, business strategies that one can only learn along the way and people who will genuinely help you.

CARD LFC and I share the same willingness to welcome our greatest dreams into the realm of genuine possibility regardless of trials that might get in the way. We both recognize and welcome opportunities when they come knocking.

With the help of CARD LFC, my dream is not just near... it is already here.



SERVING THE COMMUNITY THROUGH MICROINSURANCE

CPMI

Even before becoming one of the thirty-two microinsurance sales supervisors, also known as blackbelts, of CARD Pioneer Microinsurance Inc. (CPMI), 60-year old Luz F. Lalap has already demonstrated entrepreneurial skills and kindness. But she discovered that there was more she can offer when she joined CARD MRI Insurance Agency (CaMIA), CPMI's selling arm.

Before becoming a microinsurance agent (MIA), I managed a ready-to-wear (RTW) tailoring business with the help of my four children. I always invested in different type of businesses,

from a computer shop and prepaid cell phone loading to egg delivery, cow raising, and beauty product selling. Though small-scaled, I was able to get all my children to finish their studies with the help of her husband who worked overseas.

I joined CARD in 2004 and became a center chief a year after. In 2007, the CaMIA Package Assistance in case of Disaster (CaMIA PAID) Plan was launched and I was among the handful of agents to first promote and offer the it.

Together with the CaMIA staff, I introduced CaMIA PAID Plan in Batangas and nearby communities. I visited nine centers each month to explain to CARD members and their families the importance of insurance in times of uncertainties. A month after the launch of the CaMIA PAID Plan, I was named one of the top three sellers and had been a consistent outstanding MIA from then on.

After five years, I was recognized as a CAPiling Awardee. I was overjoyed that my efforts were acknowledged. More than anything, I think it was my commitment to serve my community that made it possible to become a blackbelt in March 2014.

As a blackbelt, I work with 26 MIAs and give support by training them to be effective communicator of the CaMIA PAID Plan benefits. Meanwhile, CPMI taught us sales strategies to boost enrolments which I share with my MIAs. With these efforts, Batangas 1 is constantly among the top five performing provincial offices in the Philippines.

Taking the lead in spreading awareness about the importance of insurance was not an easy feat for me. I had to endure hardships and break barriers along the way. My MIAs and I faced rejections from other people. Nevertheless, we made sure that we were able to explain, the advantage of being insured.

I never get tired of giving talks and bringing insurance closer to people because I have seen how regret eats up a person when unfortunate things happen to their loved ones. One of the

moments I will never forget was when a member did not push through with the insurance enrolment of her husband because she had to use the money for her child's field trip. She had to postpone getting the insurance for another week. Sadly, her husband died in an accident a few days later.

In 2014, typhoon Glenda ravaged South Luzon, leaving damages to properties. Along with the staff and six MIAs, I visited the affected clients to validate insurance claims.

We had to endure muddy trails and withstand fatigue from long hours in the field. But this was nothing compared to facing the wrath of some members who thought they did not get the amount of benefit they deserved. I was screamed and cursed at.

I almost gave up but I realized that it was just a challenge. Despite the exhaustion, I kept calm and tried to explain to the clients that there are guidelines being followed in computing for the amount to be paid.

CPMI stood by its clients, protecting them and helping them recover from the destruction brought by typhoons that hit the country. In 2014, almost 200 million claims were paid to thousands of affected clients. Moreover, CPMI, being the country's first non-life microinsurance company, is also constantly facing barriers in running a business sustainably where there is no blueprint ahead of them. According to our CPMI President Geric V. Laude, they are attempting to do something that hasn't been done before, hence, they are bound to try various options and sometimes take missteps from which they learn from before arriving at the best solution. To overcome this challenge, we need to be patient, able to accept our failures, make calculated risks and quickly recover to carry out necessary adjustments in a timely manner. Fortunately, CPMI is being mentored by two organizations that are experts in their respective fields: the CARD MRI and Pioneer Insurance.

CPMI proactively tackles the challenges of climate change. According to President Laude, it has become a constant challenge as we enter a phase in our history where nature plays its tricks to the point

where we can no longer merely look at what happened in the past but also factor in the unknowns of the future. He added that in an effort to show the institution's commitment to be there for clients continuously, they started revisiting existing products and identifying those that are no longer in tune with the new reality that is climate change. We want to make sure that they are providing relevant products that will benefit members but are also sustainable for the stakeholders of CPMI.

Being part of CaMIA and later on CPMI, I grew as a person, as a woman and as an intellectual. I learned to be more understanding of the people around me. My experiences as an agent opened my eyes to the need to be eager to learn to improve oneself. In line with this, CPMI pushed through with improving its business process by automating the selling process and conducting trainings. CPMI has provided MIAs with tablets equipped with a mobile selling application that they can use to take on enrolments.

If you ask me the secret to becoming a top performing agent, I would say it is pure hard work and the determination to touch other people's lives. I often advise MIA applicants during interviews that those who have the time and the heart to serve are the ones who last in this line of work.



SUPPORTING INSTITUTIONS, BUILDING COMMUNITIES

The two groups, the Support Group and the Community Development Group, working closely and actively with CARD MRI share how they act as the backroom force that enables the institutions to continuously break barriers towards achieving their goal to eradicate poverty.

PROMOTING SYNERGY

SUPPORT GROUP

Over the last few years, we have worked at transforming ourselves into a more synergized, efficient, and responsive unit that is ready to support the needs of CARD MRI in these changing times. We capped 2014 with a more focused approach in our areas of concern allowing us to improve our services, re-examine our targets, and bridge emerging gaps.

The year that passed was a period of focus which was evidenced by our aligned systems and processes, redefined roles, and streamlined responsibilities. These allowed us to become in sync as we built better platforms and enhanced our position in providing support for the different institutions.

Human Resource Department has always faced various challenges. Clearly, we had our work cut out for us. The uniqueness of every institution brings about complex processes that we need to address. The services we employed, together with a more direct system, allowed the HRD to perform its tasks efficiently and cost-effectively. As an example, we supported CARD, Inc. in terms of expansion, especially in remote areas where recruitment is quite difficult. The HRD also ensured that the ratio of head office and field personnels are aligned.

The Organization and Administrative Unit improved its inventory system to meet the logistical requirements of every institution. This technological headway looks promising and we are excited as it goes further enhancement. Meanwhile, the O & A Unit broke the barriers of opening new branches and transitioning through reinforcement from the operations.

The Corporate and Legal Unit revamped its system by coming up with manuals that documented formalized processes and delineated responsibilities. This step



forward raises the work standard of each employee and prevents null processes from happening.

We made it a point that each member of the Support Unit is conscious in improving our services in congruent with the controls we have set. It is our mission to be excellent and forward-looking. To be excellent, our group rectified our strategies and ensured that every one is aware about the barriers we are trying to break and how we can break them. Accountability was a major theme for us as we raise the standard of performance individually and collectively. To be forward-looking, we took note of CARD MRI's goals and unearthed the trends, such as the ASEAN Integration 2015 and occurrence of natural disasters that serve as determining factors in this journey. With all these, we established our plan of action in terms of business continuity plan, implementation, and disaster management.

Every institution's barrier is our barrier, too. We continuously gear up for it through the unceasing

development of people. With the help of CARD-MRI Development Institute, we ascertained that each staff dedicates a number of hours for training and education. We are doing this so that every one's capacity is improved and no one is left behind. We also introduced advanced HRD topics and soft skills for middle managers.

The Support Unit gives importance to the cognizance of CARD MRI culture. We highlight its significance as we raise awareness of our culture during field visits. This is crucial as we relentlessly build an even stronger organization that moves in one direction.

This year was a very important one for us as we built better bridges and unfolded our blind side. The heightened consciousness of our goals and deepened review of each unit's contribution helped us to fully commit to our role as a support unit. Our role in poverty eradication is in the trickles of success felt by each institution. Every accomplishment they achieve inspire us to go the extra mile in providing the best support services for CARD MRI.



Contributing, collaborating and communicating towards nation building

Breaking barriers is going over hindrances to make the impossible possible to better service CARD MRI and its constituents. Through the past years, CARD MRI had been silent about its accomplishments, veering away from the spotlight. It was until people started noticing its huge impact on the society that CARD MRI decided that it was about time to really inform the people who we are.

Last year, the institution bravely faced the many barriers set on its way. One of those was being tagged as a credit institution alone. People had this notion that CARD MRI was all about lending. The challenge was on changing people's perception about the institution that it was not only about credits, but about social development as well – that it can do so much for the betterment of the lives of its members and their families. Thus, so far, it had been the biggest barrier the institution faced and is currently facing – breaking what people know about CARD MRI.

With the aim to showcase the other side of the institution – its community development programs, CARD MRI started a corporate communications unit. Through the unit, it was able to come up with SULONG (CARD MRI's official newspaper), partner with 76 media groups nationwide, and re-brand its image. Selected stories of its members were published, focusing on the services and benefits that the institution provides, while

highlighting CARD MRI as a social development institution, with its mission to help the poor.

Education and Partnership

Because of poverty, many elementary school students are deprived of their right to education. With this, CARD MRI raised its bar and reached its target of 200,000 kids sent to and kept in school through scholarship programs and educational loans.

One of the barriers faced by the CARD MRI Scholarship Program (CSP) is the number of its inactive scholars. We are still hopeful that we could reverse this number and assist these students in going back to school. So, in 2014, we conducted a house to house visit to the inactive scholars. We urged them to return to school. And many of them did.

This 2015, the unit aims to monitor its elementary school graduates to make sure that they reach high school level. CARD MRI also hopes to revisit the remaining inactive scholars to assist them in getting back to school.

The Zero Dropout Program, an education loan program for elementary students which was funded by the Washington SyCip Foundation, furthered its reach when CARD, Inc. partnered with Radiowealth Finance Corporation, Inc. (RFC).



Fifty thousand families are expected to benefit from this program.

Last year was also the first time for the institution to give a loan to its cooperative partner in Romblon. This institutional loan aims to provide credits to other communities in the area. This coming year, we hope to train more cooperatives to formal banking.

With proper and constant coordination with the operations team, we are positive that we will be able to overcome the challenges faced by our resource mobilization and partnership unit.

Health

CARD MRI also values the health of its members as it provides continuous implementation of its health program. As health services are expensive in the country, CARD MRI, through the Microfinance and Health Protection Program (MaHP), brings affordable health services to poor communities.

Currently, it's been working on improving its tie up with PhilHealth to provide better health services to its 2.8 million members and dependents. Its goal primarily is to assist in eradicating its members from being pushed further in deep poverty due to poor health. Affordable and quality medicines are readily available to CARD members through BotiCARD Inc. CARD MRI gives its members and dependents a chance to be taken care of and be given the medical attention that they need.

This year, it targets to have a higher increase in the PhilHealth enrollment of its members and to have a platform for health service implementation for "MFI's for Health".

CARD MRI continues to strengthen its partnership with like-minded institutions. In 2014, it launched the "Healthy Mothers, Healthy Babies:

Kalinga Kay Inay Project," which aims to help improve the health of pregnant women all over the Philippines. By December 2015, which also marks the end of the Millenium Development Goals, the project aims to assist 600,000 beneficiaries.

MaHP, together with the MRIs, will continue to provide quality health care for the members, their families, and communities in the year ahead.

Financial Literacy

With so many NGOs and other institutions that offer financial program in Hong Kong, CARD MRI broke barriers last year when it proved that its mission does not end after giving out certificates to its participants. CARD MRI's financial literacy program covers topics on savings, wise budgeting, and debt management. Aside from conducting its financial literacy program free of charge, it also visits and follows up the OFW's families in the Philippines to encourage them to avail the services of CARD. Through this, it has earned the trust and loyalty of the OFWs in Hong Kong.

The foundation also worked on providing improved modules for the OFWs. The OFWs feedbacks and suggestions were integrated in the modules. At first, it started with only three trainers and had been able to eventually establish a pool of trainers to conduct the financial literacy course. The foundation was able to produce 15 trainers in Hong Kong out of the two batches of the training of trainers. Another accomplishment was that the objectives of the program are being recognized by the consulate of Hong Kong.

Another challenge was on the increasing number of the OFW families to be visited and followed up. Close coordination with the operations staff and managemet became an effective strategy to reach these families faster and easier. By the end of 2014, 80% of the families of the 1,089 graduates were visited and assisted. Through CARD, many OFWs now look forward to their reintegration in the Philippines.

This 2015, CARD MRI targets to reach more OFWs in Hong Kong with the financial literacy program. Livelihood trainings for the OFW's are lined up to help them acquire entrepreneurial skills needed when they go back home. The foundation also aims to get support from partners to have its own budget for the program to be independent. Putting up a physical office in Hong Kong is also eyed this year to be accessible to its clients abroad to provide them more assistance.

Faced with the challenge of the ever changing times, CARD MRI continues to break more barriers and achieve more goals and prove that it is always possible to break the impossible.

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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 SUBSIDIARY**

STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE

	Consolidated		Parent Company	
	December 31		December 31	
	2014	2013	2014	2013
ASSETS				
Cash and Cash Equivalents	₱723,098,526	₱692,036,430	₱720,057,182	₱681,435,811
Short-term Investments	100,000,000	125,000,000	100,000,000	125,000,000
Receivables				
Receivables from members	4,191,579,921	3,590,987,888	4,191,579,921	3,590,987,888
Finance and lease receivables	34,526,480	33,625,492	—	—
Due from affiliates	9,246,699	61,819,413	9,246,699	61,820,033
Other receivables	61,915,842	90,687,944	61,778,300	90,605,842
Available-for-Sale Investments	16,838,960	14,504,050	16,838,960	14,504,050
Investments in Subsidiary and Associates	634,119,569	451,603,402	659,195,279	476,679,112
Property and Equipment	102,340,579	110,752,019	100,697,593	109,942,893
Investment Properties	33,035,461	34,339,257	27,706,390	27,194,225
Retirement Asset	5,787,063	—	5,891,244	—
Other Assets	63,786,472	51,389,149	63,666,902	51,259,048
	₱5,976,275,572	₱5,256,745,044	₱5,956,658,470	₱5,229,428,902
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Due to Members	₱1,967,803,383	₱1,703,095,830	₱1,967,803,383	₱1,703,095,830
Borrowings	1,316,958,261	1,373,878,336	1,311,958,261	1,373,878,336
Retirement Liability	—	437,461,703	—	436,854,674
Deferred Tax Liability	178,316	—	—	—
Accounts Payable and Other Liabilities	430,243,911	344,268,791	428,950,344	336,026,891
Total Liabilities	3,715,183,871	3,858,704,660	3,708,711,988	3,849,855,731
FUND BALANCE ATTRIBUTABLE TO PARENT COMPANY				
Fund Balance				
General fund	1,996,818,538	1,655,827,106	1,998,728,804	1,653,910,796
Restricted fund	75,816,526	70,403,263	75,816,526	70,403,263
Reserves				
Remeasurement loss on retirement plan	160,834,604	(273,955,947)	160,576,993	(273,955,947)
Equity in remeasurement loss retirement plan of associates	12,824,159	(70,784,941)	12,824,159	(70,784,941)
	2,246,293,827	1,381,489,481	2,247,946,482	1,379,573,171
NON-CONTROLLING INTEREST	14,797,874	16,550,903	—	—
Total Fund Balance	2,261,091,701	1,398,040,384	2,247,946,482	1,379,573,171
	₱5,976,275,572	₱5,256,745,044	₱5,956,658,470	₱5,229,428,902

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

STATEMENTS OF REVENUE OVER EXPENSES

	Years Ended December 31			
	Consolidated		Parent Company	
	2014	2013	2014	2013
REVENUE AND OTHER INCOME				
Administrative fee	₱2,039,609,389	₱1,810,039,581	₱2,039,609,389	₱1,810,039,581
Grants	27,741,147	27,998,227	27,741,147	27,998,227
Other income	25,223,963	29,960,465	20,973,321	23,517,413
	2,092,574,499	1,867,998,273	2,088,323,857	1,861,555,221
COSTS AND EXPENSES				
Project related expenses	1,635,568,667	1,509,071,780	1,635,568,667	1,509,071,780
Grants and donations	77,104,352	46,804,035	77,063,131	46,799,035
Health program	50,889,131	5,354,563	50,889,131	5,354,563
Research	34,725,687	4,841,714	34,725,687	4,841,714
Scholarship program	765,297	2,069,383	765,297	2,069,383
Other administrative expenses	88,670,746	80,162,641	78,777,747	76,857,390
	1,887,723,880	1,648,304,116	1,877,789,660	1,644,993,865
EXCESS OF REVENUE OVER EXPENSES BEFORE SHARE IN NET INCOME OF ASSOCIATES	204,850,619	219,694,157	210,534,197	216,561,356
SHARE IN NET INCOME OF ASSOCIATES	140,773,538	99,446,495	140,773,538	99,446,495
EXCESS OF REVENUE OVER EXPENSES BEFORE INCOME TAX	345,624,157	319,140,652	351,307,735	316,007,851
PROVISION FOR INCOME TAX	1,130,950	86,204	1,076,464	—
EXCESS OF REVENUE OVER EXPENSES	₱344,493,207	₱319,054,448	₱350,231,271	₱316,007,851
ATTRIBUTABLE TO:				
Parent Company	₱346,404,695	₱317,924,161		
Non-controlling interest	(1,911,488)	1,130,287		
	₱344,493,207	₱319,054,448		

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

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31			
	Consolidated		Parent Company	
	2014	2013	2014	2013
EXCESS OF REVENUE OVER EXPENSES	₱344,493,207	₱319,054,448	₱350,231,271	₱316,007,851
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that recycle to profit of loss in subsequent periods:				
Unrealized loss on available- for-sale investments in associates	—	(309,477)	—	(309,477)
	—	(309,477)	—	(309,477)
Items that do not recycle to profit of loss in subsequent periods:				
Change in remeasurement gain of retirement plan	435,127,325	48,656,703	434,532,940	48,656,703
Income tax effect	(178,315)	—	—	—
	434,949,010	48,656,703	434,532,940	48,656,703
Change in equity in remeasurement gain of retirement plan of associates	83,609,100	4,186,780	83,609,100	4,186,780
	518,558,110	52,534,006	518,142,040	52,534,006
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	₱863,051,317	₱371,588,454	₱868,373,311	₱368,541,857
Attributable to:				
Parent Company	₱864,804,346	₱370,458,167		
Non-controlling interest	(1,753,029)	1,130,287		
	₱863,051,317	₱371,588,454		

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

STATEMENTS OF CHANGES IN FUND BALANCE

	Consolidated						
	Fund Balance Attributable to the Parent Company						
	Fund Balance						
	General Fund	Restricted Fund	Remeasurement (Gain) Loss on Retirement Plan	Equity in Remeasurement (Gain) Loss on Retirement Plan of Associates	Equity in Net Unrealized Gain (Loss) on AFS of Associates	Non-controlling interest	Total
Balance at January 1, 2014	₱1,655,827,106	₱70,403,263	(₱273,955,947)	(₱70,784,941)	₱—	₱16,550,903	₱1,398,040,384
Appropriation during the year	(5,413,263)	5,413,263	—	—	—	—	—
Total comprehensive income for the year	346,404,695	—	434,790,551	83,609,100	—	(1,753,029)	863,051,317
Balance at December 31, 2014	₱1,996,818,538	₱75,816,526	₱160,834,604	₱12,824,159	₱—	₱14,797,874	₱2,261,091,701

	Consolidated						
	Fund Balance Attributable to the Parent Company						
	Fund Balance						
	General Fund	Restricted Fund	Remeasurement (Gain) Loss on Retirement Plan	Equity in Remeasurement Gain (Loss) on Retirement Plan of Associates	Equity in Net Unrealized Gain (Loss) on AFS of Associates	Non-controlling interest	Total
Balance at January 1, 2013	₱1,343,206,208	₱65,100,000	(₱322,612,650)	(₱74,971,721)	₱309,477	₱—	₱1,011,031,314
Recognition of Non-controlling interest at acquisition date	—	—	—	—	—	18,311,923	18,311,923
Acquisition of treasury stock	—	—	—	—	—	(2,891,307)	(2,891,307)
Appropriation during the year	(5,303,263)	5,303,263	—	—	—	—	—
Total comprehensive income for the year	317,924,161	—	48,656,703	4,186,780	(309,477)	1,130,287	371,588,454
Balance at December 31, 2013	₱1,655,827,106	₱70,403,263	(₱273,955,947)	(₱70,784,941)	₱—	₱16,550,903	₱1,398,040,384

Parent Company						
Fund Balance						
	General Fund	Restricted Fund	Remeasurement (Gain) Loss on Retirement Plan	Equity in Remeasurement (Gain) Loss on Retirement Plan of Associates	Equity in Net Unrealized Gain (Loss) on AFS of Associates	Total
Balance at January 1, 2014	₱1,653,910,796	₱70,403,263	(₱273,955,947)	(₱70,784,941)	₱-	₱1,379,573,171
Appropriation during the year	(5,413,263)	5,413,263	-	-	-	-
Total comprehensive income for the year	350,231,271	-	434,532,940	83,609,100	-	868,373,311
Balance at December 31, 2014	₱1,998,728,804	₱75,816,526	₱160,576,993	₱12,824,159	₱-	₱2,247,946,482

Parent Company						
Fund Balance						
	General Fund	Restricted Fund	Remeasurement (Gain) Loss on Retirement Plan	Equity in Remeasurement Gain (loss) on Retirement Plan of Associates	Equity in Net Unrealized Gain (Loss) on AFS of Associates	Total
Balance at January 1, 2013	₱1,343,206,208	₱65,100,000	(₱322,612,650)	(₱74,971,721)	₱309,477	₱1,011,031,314
Appropriation during the year	(5,303,263)	5,303,263	-	-	-	-
Total comprehensive income for the year	316,007,851	-	48,656,703	4,186,780	(309,477)	368,541,857
Balance at December 31, 2013	₱1,653,910,796	₱70,403,263	(₱273,955,947)	(₱70,784,941)	₱-	₱1,379,573,171

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

STATEMENTS OF CASH FLOWS

	Years Ended December 31			
	Consolidated		Parent Company	
	2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Excess of revenue over expenses	₱345,624,158	₱319,054,448	₱351,307,735	₱316,007,851
Adjustments for:				
Pension expense	135,553,857	130,262,668	135,462,320	130,203,656
Interest expense	64,719,480	79,650,910	64,169,480	79,650,910
Equity in net earnings of associates	(140,773,538)	(99,446,495)	(140,773,538)	(99,446,495)
Depreciation and amortization	30,789,362	38,876,536	30,387,343	38,646,450
Provision for credit and impairment losses	15,725,166	31,058,010	11,960,986	30,542,024
Interest income	(10,198,614)	(9,772,018)	(6,533,908)	(9,772,018)
Amortization of debt issue costs	1,687,445	2,925,085	1,687,445	2,925,085
Loss on the excess of carrying amount and fair value of the previously held equity	—	1,049,861	—	1,049,861
Foreign exchange gain	(87,750)	(864,810)	(87,750)	(864,810)
(Gain) loss on disposal/retirement of assets	(36,839)	(439,480)	4,901	(439,480)
Dividend income	(100,600)	(205,416)	(100,600)	(205,416)
Gain on disposal of available for sale equity instrument	—	(184,720)	—	(184,720)
Grant of land to affiliate	4,800,000	—	4,800,000	—
Changes in operating assets and liabilities:				
Decrease (increase) in amounts of:				
Receivables	(536,844,671)	(346,945,009)	(530,992,224)	(345,046,830)
Short term investments	25,000,000	—	25,000,000	—
Other assets	(13,133,007)	(28,954,060)	(13,170,078)	(28,823,959)
Increase (decrease) in amounts of:				
Accounts payable and accrued expenses	123,087,486	(2,343,262)	122,672,362	(11,133,180)
Due to members	264,707,553	196,704,811	264,707,553	196,704,811
Net cash flows generated from operations	310,519,488	310,427,059	320,502,027	299,813,740
Income taxes paid	(94,119)	—	—	—
Interest paid	(63,261,108)	(80,607,221)	(62,524,441)	(80,607,221)
Contributions to the retirement plan	(143,675,298)	(60,000,000)	(143,675,298)	(60,000,000)
Interest received	11,425,838	9,788,670	6,616,201	9,788,670
Net cash flows provided by operating activities	114,914,801	179,608,508	120,918,489	168,995,189

(Forward)

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Years Ended December 31				
	Consolidated		Parent Company	
	2014	2013	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal or maturity of:				
Property and equipment	₱894,961	₱838,372	₱572,370	₱838,372
Investment property	743,851	—	—	—
Available for sale investments	—	2,244,320	—	2,244,320
Investment in associates	—	30,793,042	—	30,793,042
Acquisitions of:				
Investment in associates	(13,000,000)	(21,640,537)	(13,000,000)	(21,640,537)
Property and equipment	(26,123,153)	(10,490,822)	(26,001,124)	(10,478,122)
Available-for-sale investments	(2,146,560)	—	(2,146,560)	—
Investment properties (Note 16)	(1,030,355)	—	(1,030,355)	—
Placement of short-term investment	—	(40,500,000)	—	(40,500,000)
Dividends received (Notes 13 and 14)	54,866,471	36,531,320	54,866,471	36,531,320
Prepaid subscription of equity shares	(31,950,400)	20,000,000	(31,950,400)	20,000,000
Net cash flows provided by (used in) investing activities	(17,745,185)	17,775,695	(18,689,598)	17,788,395
CASH FLOWS FROM FINANCING ACTIVITIES				
Redemption of preferred stock	(7,500,000)	—	—	—
Proceeds from borrowings	1,332,708,500	902,503,000	1,327,708,500	902,503,000
Settlement of borrowings	(1,391,316,020)	(732,226,007)	(1,391,316,020)	(732,226,007)
Net cash flows provided by (used in) financing activities	(66,107,520)	170,276,993	(63,607,520)	170,276,993
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	31,062,096	367,661,196	38,621,371	357,060,577
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
	692,036,430	324,375,234	681,435,811	324,375,234
CASH AND CASH EQUIVALENTS AT END OF YEAR				
	₱723,098,526	₱692,036,430	₱720,057,182	₱681,435,811

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

	December 31	
	2014	2013
ASSETS		
Cash and other cash items	₱65,451,150	₱46,793,184
Due from Bangko Sentral ng Pilipinas	124,989,147	73,783,424
Due from other banks	587,745,810	515,817,666
Available-for-sale investments	139,523,981	–
Loans and receivables	4,308,142,574	3,645,076,091
Investment in an associate	42,164,989	12,278,368
Held-to-maturity investments	258,865,664	322,318,389
Property and equipment	420,163,724	295,237,778
Deferred tax assets	42,462,832	118,671,804
Other assets	170,688,859	61,642,319
	₱6,160,198,730	₱5,091,619,023
LIABILITIES AND EQUITY		
Liabilities		
Deposit liabilities		
Demand	₱107,458,554	₱103,688,850
Savings	3,412,441,873	3,066,680,759
	3,519,900,427	3,170,369,609
Bills payable	881,954,896	423,432,686
Income tax payable	61,983,762	70,704,357
Other liabilities	266,546,634	438,011,388
	4,730,385,719	4,102,518,040
Equity		
Capital stock		
Preferred stock	496,938,400	420,929,800
Common stock	470,438,900	361,443,500
	967,377,300	782,373,300
Surplus	441,202,779	398,895,728
Remeasurement gains (losses) on retirement liabilities	18,869,940	(189,972,221)
Share in the associate's other comprehensive income (loss)	1,568,984	(2,195,824)
Net unrealized gains on available-for-sale investments	794,008	–
	1,429,813,011	989,100,983
	₱6,160,198,730	₱5,091,619,023

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

	Years Ended December 31	
	2014	2013
INTEREST INCOME ON		
Loans and receivables	₱1,934,786,150	₱1,600,356,558
Investment securities	17,332,021	16,688,152
Due from other banks	6,676,433	7,128,815
	1,958,794,604	1,624,173,525
INTEREST EXPENSE ON		
Deposit liabilities	84,291,799	74,277,480
Bills payable	25,932,667	9,188,163
	110,224,466	83,465,643
NET INTEREST INCOME	1,848,570,138	1,540,707,882
Miscellaneous	14,556,648	38,217,320
TOTAL OPERATING INCOME	1,863,126,786	1,578,925,202
OPERATING EXPENSES		
Compensation and benefits	623,545,744	545,279,875
Transportation and travel	124,932,531	93,618,266
Taxes and licenses	108,660,526	92,912,974
Members training and development	100,512,897	58,605,417
Stationery and office supplies	56,640,742	45,791,048
Occupancy	56,324,882	43,395,072
Depreciation and amortization	52,882,082	49,228,873
Provision for credit and impairment losses	38,525,203	37,570,646
Security, messengerial and janitorial	37,248,041	33,554,228
Employee trainings	36,759,687	21,768,804
Information technology	35,831,252	29,852,595
Postage, telephone and cable	22,443,485	17,304,856
Power, light and water	19,587,898	17,151,728
Insurance	17,477,523	14,226,177
Management and other professional fees	13,172,918	9,727,855
Seminars and meetings	9,136,471	8,806,206
Repairs and maintenance	8,488,638	8,311,405
Program monitoring and evaluation	6,645,533	4,636,511
Miscellaneous	44,861,375	42,343,171
	1,413,677,428	1,174,085,707
INCOME BEFORE SHARE IN NET INCOME OF AN ASSOCIATE	449,449,358	404,839,495
SHARE IN NET INCOME OF THE ASSOCIATE	13,121,813	3,724,192
INCOME BEFORE TAX	462,571,171	408,563,687
PROVISION FOR INCOME TAX	140,381,636	122,515,826
NET INCOME	₱322,189,535	₱286,047,861

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

	Years Ended December 31	
	2014	2013
NET INCOME	₱322,189,535	₱286,047,861
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Items that may not be classified to the statement of income:</i>		
Remeasurement gain (loss) on retirement liabilities	298,345,944	(2,902,952)
Income tax effect	(89,503,783)	870,886
	208,842,161	(2,032,066)
<i>Items that may be reclassified to the statement of income:</i>		
Unrealized gains (losses) on available-for-sale investment	1,134,297	146,708
Income tax effect	(340,289)	—
	794,008	146,708
Share in associate's other comprehensive gain (loss)	3,764,808	(2,195,824)
	4,558,816	(2,049,116)
TOTAL COMPREHENSIVE INCOME	₱535,590,512	₱281,966,679

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

	Preferred Stock	Common Stock	Deposit for Future Stock Subscription	Surplus	Remeasurement Gain (Loss) on Retirement Liabilities	Share in an Associate's Other Comprehensive Gain (Loss)	Net Unrealized Gain on Available-for-sale Investments	Total
Balance at January 1, 2014	₱420,929,800	₱361,443,500	₱—	₱398,895,728	(₱189,972,221)	(₱2,195,824)	₱—	₱989,100,983
Total comprehensive income	—	—	—	322,189,535	208,842,161	3,764,808	794,008	535,590,512
Collection of subscription receivable	1,063,200	22,371,048	—	—	—	—	—	6,722,500
Issuance of new shares	74,945,400	—	—	—	—	—	—	75,938,200
Stock dividends	—	86,624,352	—	(86,624,352)	—	—	—	(1,852)
Cash dividends	—	—	—	(193,258,132)	—	—	—	(177,537,332)
Balance at December 31, 2014	₱496,938,400	₱470,438,900	₱—	₱441,202,779	₱18,869,940	₱1,568,984	₱794,008	₱1,429,813,011
Balance at January 1, 2013	₱249,927,200	₱213,061,100	₱63,117,425	₱353,465,347	(₱187,940,155)	₱—	(₱146,708)	₱691,484,209
Total comprehensive income	—	—	—	286,047,861	(2,032,066)	(2,195,824)	146,708	281,966,679
Collection of subscription receivable	116,433,600	30,990,775	—	—	—	—	—	123,953,775
Transfers and movements of deposits for future stock subscription	45,719,600	17,394,025	(63,117,425)	—	—	—	—	(3,800)
Stock dividends	8,849,400	99,997,600	—	(112,817,106)	—	—	—	(3,970,106)
Cash dividends	—	—	—	(127,800,374)	—	—	—	(104,329,774)
Balance at December 31, 2013	₱420,929,800	₱361,443,500	₱—	₱398,895,728	(₱189,972,221)	(₱2,195,824)	₱—	₱989,100,983

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

	Years Ended December 31	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱462,571,171	₱408,563,687
Adjustments for:		
Retirement expense	79,774,489	76,030,500
Depreciation and amortization	52,882,082	49,228,873
Provision for credit and impairment losses	38,525,203	37,570,646
Amortization of premium on held-to-maturity securities	5,535,382	3,613,794
Amortization of premium or discount on bills payable	4,362,279	235,209
Net unrealized loss on foreign exchange transactions	104,500	346,831
Gain on disposal of property and equipment	(683,562)	(964,765)
Share in net income of an associate	(13,121,813)	(3,724,192)
Operating income before changes in operating assets and liabilities:	629,949,731	570,900,583
Increase in the amounts of:		
Loans and receivables	(701,174,811)	(720,149,843)
Other assets	(15,372,980)	(12,392,248)
Increase in the amounts of:		
Deposit liabilities	349,530,818	718,421,703
Other liabilities	29,516,294	23,378,244
Net cash generated from operations	292,449,052	580,158,439
Income taxes paid	(162,737,330)	(109,711,820)
Contribution to retirement fund	(75,867,516)	(106,992,558)
Net cash provided by operating activities	53,844,206	363,454,061
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment	(176,982,436)	(89,082,624)
Available-for-sale investments	(138,389,684)	–
Held-to-maturity investments	(48,233,415)	(40,677,597)
Software costs	(981,000)	(998,976)
Advances to an associate	(20,000,000)	(13,000,000)
Proceeds from:		
Maturity of held-to-maturity investments	106,150,758	27,695,669
Disposal of property and equipment	1,348,582	964,766
Redemption of available-for-sale investments	–	15,000,000
Net cash used in investing activities	(277,087,195)	(100,098,762)

(Forward)

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	Years Ended December 31	
	2014	2013
CASH FLOWS FROM FINANCING ACTIVITIES		
Availment of bills payable	₱1,179,159,932	₱423,197,477
Settlement of bills payable	(725,000,000)	(535,266,562)
Proceeds from:		
Issuance of preferred stock	74,945,400	—
Collection of subscriptions receivable on common stock	22,371,048	8,493,075
Collection of subscriptions receivable on preferred stock	1,063,200	115,460,700
Transfers and movements of deposits for future stock subscription	—	(3,800)
Dividends paid	(187,400,258)	(106,164,853)
Net cash provided by (used in) financing activities	365,139,322	(94,283,963)
EFFECTS OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS	(104,500)	(346,831)
NET INCREASE IN CASH AND CASH EQUIVALENTS	141,791,833	168,724,505
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	46,793,184	30,509,853
Due from Bangko Sentral ng Pilipinas	73,783,424	56,867,923
Due from other banks	515,817,666	380,291,993
	636,394,274	467,669,769
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and other cash items	65,451,150	46,793,184
Due from Bangko Sentral ng Pilipinas	124,989,147	73,783,424
Due from other banks	587,745,810	515,817,666
	₱778,186,107	₱636,394,274

OPERATIONAL CASH FLOWS FROM INTEREST AND DIVIDENDS

	Years Ended December 31	
	2014	2013
Interest received	₱1,958,997,501	₱1,651,640,448
Interest paid	97,878,284	81,423,357
Dividend received	—	607,826

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

STATEMENTS OF FINANCIAL POSITION

	December 31	
	2014	2013
ASSETS		
Cash and Cash Equivalents	₱275,692,723	₱642,567,435
Short-term Investments	168,257,482	240,980
Long-term Investments	72,681,045	72,681,045
Financial Assets		
Held-to-maturity investments	5,104,317,821	3,741,083,915
Available-for-sale financial assets	509,658,294	514,082,289
Loans and receivables	159,972,193	230,184,389
Financial assets at fair value through profit or loss	20,180,000	21,040,000
Property and Equipment - net	240,021,459	139,431,853
Investment Properties	36,780,456	—
Investments in Associates	268,288,962	285,066,224
Pension Asset - net	12,633,123	—
Other Assets	8,280,388	8,238,374
	₱6,876,763,946	₱5,654,616,504
LIABILITIES AND FUND BALANCE		
Liabilities		
Insurance contract liabilities	₱3,320,191,416	₱2,751,822,296
Retirement savings fund	1,963,727,108	1,580,623,648
Accounts payable and accrued expenses	110,176,583	70,602,938
Pension liability - net	—	33,621,946
Total Liabilities	5,394,095,107	4,436,670,828
Fund Balance		
Appropriated fund balance	142,580,190	217,349,164
Unappropriated fund balance	1,285,160,743	989,991,384
Other comprehensive income	54,927,906	10,605,128
Total Fund Balance	1,482,668,839	1,217,945,676
	₱6,876,763,946	₱5,654,616,504

**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	
	2014	2013
REVENUE		
Gross premiums on insurance contracts	₱1,552,346,799	₱1,343,002,574
Reinsurance' share on gross earned premium on insurance contracts	(1,074,000)	—
Net premiums on insurance contracts	1,551,272,799	1,343,002,574
Interest income	165,034,017	167,384,792
Dividend income	29,010,638	26,351,243
Surrender charge	16,249,632	14,715,550
Rental income	1,250,934	—
Fair value gains from financial assets at fair value through profit or loss	—	780,000
Reversal of provision for impairment losses	—	1,136,911
Contribution income - AKAP	—	374,770
Equity in net earnings of associates	—	4,409,184
Others	3,064,783	417,066
Other revenue	214,610,004	215,569,516
	1,765,882,803	1,558,572,090
BENEFITS, CLAIMS AND EXPENSES		
Gross change in insurance contract liabilities	568,369,120	503,908,891
Gross insurance contract benefits and claims paid	600,820,853	510,203,495
Insurance benefits claims	1,169,189,973	1,014,112,386
General and administrative expenses	275,750,142	264,266,082
Equity in net losses of associates - net	16,125,810	—
Fair value losses from financial assets at fair value through profit or loss	860,000	—
Access fees	—	818,452
Expenses and losses	292,735,952	265,084,534
	1,461,925,925	1,279,196,920
EXCESS OF REVENUE OVER EXPENSES BEFORE PROVISION FOR FINAL TAX	303,956,878	279,375,170
PROVISION FOR FINAL TAX	(32,736,004)	(33,400,624)
EXCESS OF REVENUE OVER EXPENSES	271,220,874	245,974,546

(Forward)

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	Years Ended December 31	
	2014	2013
EXCESS OF REVENUE OVER EXPENSES	₱271,220,874	₱245,974,546
OTHER COMPREHENSIVE INCOME		
Item that will be reclassified to profit or loss in subsequent periods		
Fair value gains on available-for-sale financial assets	3,076,005	13,703,658
Items that will not be reclassified to profit or loss in subsequent periods		
Remeasurement gain (loss) on defined benefit plan	38,969,481	(1,099,433)
Equity in other comprehensive income of an associate	2,277,292	—
TOTAL COMPREHENSIVE INCOME	₱315,543,651	₱258,578,771

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

STATEMENTS OF CHANGES IN FUND BALANCE

	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	Total
At January 1, 2014	P217,349,164	P989,991,384	P39,784,692	(P29,179,564)	P—	(P29,179,564)	P1,217,945,676
Appropriation during the year	66,500,000	(66,500,000)	—	—	—	—	—
Reversal of appropriation	(90,448,485)	90,448,485	—	—	—	—	—
Utilization of appropriation	(50,820,489)	—	—	—	—	—	(50,820,489)
Excess of revenue over expenses	—	271,220,874	—	—	—	—	271,220,874
Other comprehensive income	—	—	3,076,005	39,149,481	2,277,292	41,426,773	44,322,778
Total comprehensive income	—	271,220,874	3,076,005	39,149,481	2,277,292	41,426,773	315,543,652
Balance at December 31, 2014	P142,580,190	P1,285,160,743	P42,860,697	P9,969,917	P2,277,292	P12,247,209	P1,482,668,839
At January 1, 2013	P193,909,179	P835,716,838	P26,081,034	(P28,080,131)	P—		P1,027,626,920
Appropriation during the year	91,700,000	(91,700,000)	—	—	—	—	—
Utilization of appropriation	(68,260,015)	—	—	—	—	—	(68,260,015)
Excess of revenue over expenses	—	245,974,546	—	—	—	—	245,974,546
Other comprehensive income	—	—	13,703,658	(1,099,433)	—	—	12,604,225
Total comprehensive income	—	245,974,546	13,703,658	(1,099,433)	—	—	258,578,771
Balance at December 31, 2013	P217,349,164	P989,991,384	P39,784,692	(P29,179,564)	P—		P1,217,945,676

**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	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses before provision for final tax	₱303,956,878	₱279,375,170
Adjustments for:		
Increase in aggregate reserves	568,369,120	503,908,891
Amortization of bond premium (discount)	24,583,735	(5,634,562)
Provision (reversal of provision) for impairment losses	16,449,145	(1,136,911)
Equity in net losses (earnings) of an associate - net	16,125,810	(4,409,185)
Depreciation	5,598,410	5,521,528
Fair value losses (gains) from financial assets at fair value through profit or loss	860,000	(780,000)
Loss on disposal of asset	—	253,262
Interest income	(165,372,517)	(167,003,125)
Cash generated from operations before changes in working capital	770,570,581	610,095,068
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Loans and receivables	32,315,427	(146,318,492)
Other assets	(42,014)	(545,266)
Increase (decrease) in:		
Retirement savings fund	383,103,460	343,928,767
Accounts payable and accrued expenses	39,573,645	(92,988,139)
Net pension liability	(7,285,588)	4,532,272
Utilization of appropriation	(50,820,489)	(68,260,015)
Net cash generated from operations	1,167,415,022	650,444,195
Final taxes paid	(32,736,004)	(33,400,624)
Net cash flows provided by operating activities	1,134,679,018	617,043,571
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	159,215,703	167,946,256
Cash dividends received	30,588,438	3,274,510
Acquisitions of:		
Held-to-maturity investments	(1,643,543,090)	(832,256,047)
Property and equipment	(142,968,472)	(76,498,499)
Investments in associates	(55,256)	(261,483,896)
Available-for-sale financial assets	—	(35,566,400)
Proceeds from sale/maturities of:		
Held-to-maturity investments	255,725,449	225,441,057
Available-for-sale financial assets	7,500,000	7,500,000
Increase in short-term investments	(168,016,502)	(2,537,848)
Net cash flows used in investing activities	(1,501,553,730)	(804,180,867)

(Forward)

	Years Ended December 31	
	2014	2013
NET DECREASE IN CASH AND CASH EQUIVALENTS	(366,874,712)	(187,137,296)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	642,567,435	829,704,731
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱275,692,723	₱642,567,435

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

	December 31	
	2014	2013
ASSETS		
Current Assets		
Cash in banks	₱57,593,905	₱36,060,496
Receivables	5,813,823	8,622,345
Other current assets	1,139,426	917,257
Total Current Assets	64,547,154	45,600,098
Noncurrent Assets		
Property and equipment	50,895,174	46,210,629
Equity investment at cost	4,373,900	4,373,900
Software license	156,545	180,933
Retirement asset	5,317,605	—
Total Noncurrent Assets	60,743,224	50,765,462
	₱125,290,378	₱96,365,560
LIABILITIES AND FUND BALANCE		
Current Liability		
Accounts payable and accrued expenses	₱13,083,066	₱10,257,689
Noncurrent Liability		
Retirement liability	—	1,601,488
	13,083,066	11,859,177
Fund Balance		
General fund	5,000,000	5,000,000
Accumulated excess of revenue over expenses	107,207,312	79,506,383
	112,207,312	84,506,383
	₱125,290,378	₱96,365,560

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	
	2014	2013
REVENUE		
Seminars and trainings	₱106,417,348	₱73,768,307
Facilities fee	831,885	1,392,002
Dividend Income	787,302	1,293,562
Interest income	694,907	648,083
Other income	606,130	44,719
Donations and contributions	—	1,002,500
	109,337,572	78,149,173
EXPENSES		
Cost of seminars, trainings and other programs	71,669,294	52,430,090
Administrative:		
Remeasurement loss (gain) on retirement plan	(7,250,046)	1,523,041
Compensation and employee benefits	3,499,694	2,255,359
Management and professional fees	2,593,810	1,257,490
Transportation and travel	2,496,218	1,695,299
Program monitoring and meetings	2,182,340	989,854
Representation	1,568,583	1,162,542
Staff training and development	1,213,184	—
Depreciation and amortization expense	721,747	785,492
Insurance	675,307	1,454,528
Taxes and licenses	564,042	475,419
Information technology	431,760	32,772
Utilities	342,027	316,434
Janitorial, messengerial, and security	340,219	291,044
Supplies and materials	199,475	167,433
Communication and postage	167,614	180,671
Provision for doubtful accounts	121,397	507,183
Repairs and maintenance	56,441	127,799
Miscellaneous	43,537	193,323
	9,967,349	13,415,683
	81,636,643	65,845,773
EXCESS OF REVENUE OVER EXPENSES	27,700,929	12,303,400
FUND BALANCE AT BEGINNING OF YEAR	84,506,383	72,202,983
FUND BALANCE AT END OF YEAR	₱112,207,312	₱84,506,383

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

STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses	27,700,929	₱12,303,400
Adjustments for:		
Depreciation and amortization expense	7,791,308	6,933,802
Remeasurement loss (gain) on retirement plan	(7,250,046)	1,523,041
Retirement expense	1,742,883	1,589,133
Provision for doubtful accounts	121,397	507,183
Dividend income	(787,302)	(1,293,562)
Interest income	(694,907)	(648,083)
Unrealized foreign exchange loss (gain)	(384,133)	82,509
Operating income before working capital changes	28,240,129	20,914,914
Changes in operating assets and liabilities:		
Decrease (increase) in amount of:		
Receivables	2,675,163	(3,351,927)
Other current assets	(222,169)	(435,769)
Increase (decrease) in amount of:		
Accounts payable and accrued expenses	2,825,377	5,850,944
Net cash generated from operations	33,518,500	22,978,162
Contributions to retirement fund	(1,411,930)	(3,913,982)
Dividends received	787,302	1,293,562
Interest received	706,869	643,375
Net cash provided by operating activities	33,600,741	21,001,117
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(12,436,536)	(8,714,307)
Acquisition of software license	(14,929)	(184,000)
Net cash used in investing activities	(12,451,465)	(8,898,307)
NET INCREASE IN CASH IN BANKS	21,533,409	12,185,319
EFFECTS OF EXCHANGE RATE CHANGES		
ON CASH IN BANK	384,133	(82,509)
CASH IN BANKS AT BEGINNING OF YEAR	36,060,496	23,957,686
CASH IN BANKS AT END OF YEAR	₱57,593,905	₱36,060,496

CARD-BUSINESS DEVELOPMENT SERVICE FOUNDATION, INC.
(A Nonstock, Not-for-Profit Organization)

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

	December 31	
	2014	2013
ASSETS		
Current Assets		
Cash	₱2,406,321	₱15,676,160
Financial Asset at Fair Value through Profit or Loss	—	1,133,787
Receivables	7,506,533	18,763,499
Other Current Assets	6,426,053	13,481,520
	16,338,907	49,054,966
Noncurrent Assets		
Receivables	—	113,537
Available-for-Sale Investments	6,842,500	9,592,500
Investment in a Subsidiary	968,750	—
Investments in Associates	28,000,000	28,000,000
Property and Equipment	5,459,079	1,053,036
Retirement Asset	539,278	—
Other Noncurrent Assets	900,000	1,970,413
Total Noncurrent Assets	42,709,607	40,729,486
	₱59,048,514	₱89,784,452
LIABILITIES AND FUND BALANCE		
Current Liabilities		
Accounts Payable and Accrued Expenses	₱16,763,882	₱27,893,696
Project Assistance Payable	2,500,000	29,116,857
	19,263,882	57,010,553
Noncurrent Liabilities		
Project Assistance Payable	1,250,000	3,750,000
Retirement Liability	—	6,766,481
	1,250,000	10,516,481
	20,513,882	67,527,034
Fund Balance	38,534,632	22,257,418
	₱59,048,514	₱89,784,452

CARD-BUSINESS DEVELOPMENT SERVICE FOUNDATION, INC.
(A Nonstock, Not-for-Profit Organization)

**PARENT COMPANY STATEMENTS OF REVENUE AND EXPENSES
AND CHANGES IN FUND BALANCE**

	Years Ended December 31	
	2014	2013
REVENUES		
Grants	₱41,416,857	₱15,000,000
Dividend income	1,127,750	272,690
Administrative fees	380,752	1,365,930
Project development	—	2,500,000
Marketing fees	—	7,967,995
Others	4,555,382	2,990,513
	47,480,741	30,097,128
EXPENSES		
Project related expenses	24,890,192	18,538,290
Administrative expenses:		
Compensation and employee benefits	3,110,743	3,245,200
Actuarial gain	(1,936,788)	(499,253)
Mark-to-market loss on FVPL	1,133,787	4,454,981
Transportation and travel	638,796	692,978
Program monitoring and evaluation	540,989	478,684
Repairs and maintenance	412,506	259,886
Rental	329,175	341,361
Interest	316,861	262,155
Management and professional fees	236,742	191,941
Seminars and meetings	230,294	227,364
Training and development	230,588	378,156
Supplies and materials	204,620	526,862
Depreciation	147,265	169,357
Utilities	138,713	135,025
Janitorial, messengerial and security	116,018	89,798
Communication	95,239	88,287
Information technology	62,098	17,380
Insurance	44,053	95,529
Miscellaneous	261,636	248,510
	6,313,335	11,404,201
	31,203,527	29,942,491
EXCESS OF REVENUE OVER EXPENSES	16,277,214	154,637
FUND BALANCE AT BEGINNING OF YEAR	22,257,418	22,102,781
FUND BALANCE AT END OF YEAR	₱38,534,632	₱22,257,418

CARD-BUSINESS DEVELOPMENT SERVICE FOUNDATION, INC.
(A Nonstock, Not-for-Profit Organization)

PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses	₱16,277,214	₱154,637
Adjustments for:		
Grants applied as payment for project assistance payable	(26,616,857)	—
Provision for impairment and credit losses	11,571,356	438,786
Retirement expense	(5,158,419)	153,970
Dividend income	(1,127,750)	(272,690)
Mark-to-market loss on financial asset at FVPL	1,133,787	4,454,981
Interest expense	1,131,648	1,310,777
Depreciation	525,945	607,005
Interest income on deposits	(141,838)	(426,387)
Operating income before working capital changes	(2,404,914)	6,421,079
Changes in operating assets and liabilities:		
Decrease (increase) in amount of:		
Receivables	3,816,128	6,560,730
Other current assets	3,208,899	(350,544)
Increase (decrease) in amount of:		
Accounts payable and accrued expenses	(3,379,814)	(1,520,761)
Net cash flows generated from operations	1,240,299	11,110,504
Contributions to retirement asset	(2,147,340)	(2,253,851)
Interest received	141,838	424,866
Net cash flows provided by operating activities	(765,203)	9,281,519
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Available-for-sale investments	(5,000,000)	(127,000)
Property and equipment	(4,931,988)	(370,363)
Investment in a subsidiary	(968,750)	—
Investment in associates	—	(7,000,000)
Other noncurrent assets	—	(73,500)
Disposals of:		
Property and equipment	—	435,483
Available-for-sale investments	—	92,000
Other noncurrent assets	900,000	73,000
Dividend received	1,127,750	272,690
Prepaid subscription	—	(39,000)
Net cash flows used in investing activities	(8,872,988)	(6,736,690)

(Forward)

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	Years Ended December 31	
	2014	2013
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,131,648)	(1,310,777)
Project assistance paid	(2,500,000)	(2,500,000)
Net cash flows used in financing activities	(3,631,648)	(3,810,777)
NET DECREASE IN CASH	(13,269,839)	(1,265,948)
CASH AT BEGINNING OF YEAR	15,676,160	16,942,108
CASH AT END OF YEAR	₱2,406,321	₱15,676,160

CARD MRI INSURANCE AGENCY, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2014	2013
ASSETS		
Cash	₱22,207,624	₱4,714,329
Short-term Investments	3,760,555	3,668,630
Long-term Investments	3,000,000	3,000,000
Receivables	110,115,507	113,085,129
Available-for-sale Financial Assets	12,021,246	11,021,246
Property and Equipment - net	4,541,615	1,059,539
Deferred Tax Assets - net	623,369	1,564,022
Other Assets	3,466,005	3,679,908
	₱159,735,921	₱141,792,803
LIABILITIES AND EQUITY		
Liabilities		
Trade and other payables	₱137,334,770	₱123,989,010
Net pension liability	1,652,809	4,238,733
	138,987,579	128,227,743
Equity		
Capital stock	9,510,000	9,500,000
Deposits for future stock subscription	4,412,000	1,770,500
Retained earnings	8,185,984	5,049,464
Remeasurement loss on defined benefit plan	(1,359,642)	(2,754,904)
	20,748,342	13,565,060
	₱159,735,921	₱141,792,803

CARD MRI INSURANCE AGENCY, INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2014	2013
REVENUE		
Commission income	₱29,515,730	₱18,937,663
Interest income	465,816	503,022
Reversal of provision for impairment losses	80	73,778
Other income	338,812	7,062
	30,320,438	19,521,525
EXPENSES		
Training and development	4,521,770	5,188,634
Commissions	5,136,435	2,422,531
Salaries and allowances	3,419,767	3,150,675
Transportation and travel	2,359,035	964,785
Program monitoring and evaluation	854,301	716,929
Pension expense	597,194	560,534
Net interest expense on retirement benefit obligation	221,165	152,165
Supplies	691,336	350,065
Depreciation	436,768	438,248
Security and janitorial	344,402	266,318
Insurance	275,333	215,392
Provision for impairment losses	273,087	72,000
Professional fees	214,965	222,267
Taxes and licenses	200,248	713,968
Repairs and maintenance	179,530	75,791
Communication and postage	165,955	158,935
Light and water	133,165	106,024
Rent	131,316	120,000
Representation and entertainment	35,172	30,494
Advertising and promotion	12,500	—
Other expenses	899,055	619,646
	21,102,499	16,545,401
INCOME BEFORE INCOME TAX	9,217,939	2,976,124
PROVISION FOR INCOME TAX	3,231,419	850,926
NET INCOME	5,986,520	2,125,198
OTHER COMPREHENSIVE INCOME (LOSS)		
Items that will not to be reclassified to profit or loss in subsequent periods:		
Remeasurement gain (loss) on defined benefit plan	1,993,231	(643,634)
Income tax effect	(597,969)	193,090
	1,395,262	(450,544)
TOTAL COMPREHENSIVE INCOME	₱7,381,782	₱1,674,654

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

	2014					
	Capital Stock	Appropriated Retained Earnings	Unappropriated Retained Earnings	Remeasurement Loss on Defined Benefit Plan	Deposits for Future Stock Subscription	Total
At January 1, 2014	P9,500,000	P—	P5,049,464	(P2,754,904)	P1,770,500	P13,565,060
Deposits during the year	—	—	—	—	2,651,500	2,651,500
Issuance of shares	10,000	—	—	—	(10,000)	—
Dividends	—	—	(2,850,000)	—	—	(2,850,000)
Appropriation	—	2,103,586	(2,103,586)	—	—	—
Reversal of Appropriation	—	(2,103,586)	2,103,586	—	—	—
Net income	—	—	5,986,520	—	—	5,986,520
Other comprehensive income	—	—	—	1,395,262	—	1,395,262
Total comprehensive income	—	—	5,986,520	1,395,262	—	7,381,782
At December 31, 2014	P9,510,000	P—	P8,185,984	(P1,359,642)	P4,412,000	P20,748,342
At January 1, 2013	P2,813,500	P2,450,117	P4,756,659	(P2,304,360)	P—	P7,715,916
Deposits during the year	—	—	—	—	3,371,000	3,371,000
Issuance of shares	6,686,500	—	—	—	(1,600,500)	5,086,000
Dividends	—	—	(4,282,510)	—	—	(4,282,510)
Appropriation	—	(2,450,117)	2,450,117	—	—	—
Net income	—	—	2,125,198	—	—	2,125,198
Other comprehensive income	—	—	—	(450,544)	—	(450,544)
Total comprehensive income	—	—	2,125,198	(450,544)	—	1,674,654
At December 31, 2013	P9,500,000	P—	P5,049,464	(P2,754,904)	P1,770,500	P13,565,060

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

	Years Ended December 31	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱9,217,939	₱2,976,124
Adjustments for:		
Depreciation	436,768	438,248
Net provision (reversal of provision) for impairment losses	273,007	(1,778)
Interest income	(465,816)	(503,022)
Operating income before working capital changes	9,461,898	2,909,572
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	2,832,503	(96,199,695)
Other assets	213,903	(1,933,459)
Increase (decrease) in:		
Trade and other payables	13,345,760	97,857,746
Pension liability	(592,693)	450,114
Net cash generated from operations	25,261,371	2,819,210
Income tax paid	(2,888,735)	(784,713)
Net cash provided by operating activities	22,372,636	2,034,497
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	329,928	372,677
Acquisitions of:		
Property and equipment	(3,918,844)	(174,465)
Available-for-sale financial assets	(1,000,000)	(10,980,480)
Increase in Short-term investments	(91,925)	(107,585)
Net cash used in investing activities	(4,680,841)	(10,889,853)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares	—	5,086,000
Deposit for future stock subscription	2,651,500	3,371,000
Dividends paid	(2,850,000)	(4,282,510)
Net cash provided by (used in) financing activities	(198,500)	(4,174,490)
NET INCREASE (DECREASE) IN CASH	17,493,295	(4,680,866)
CASH AT BEGINNING OF YEAR	4,714,329	9,395,195
CASH AT END OF YEAR	₱22,207,624	₱4,714,329

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

	December 31	
	2014	2013
ASSETS		
Cash and Other Cash Items	₱6,679,030	₱4,610,455
Due from Bangko Sentral ng Pilipinas	81,135,679	50,603,710
Due from Other Banks	112,018,132	83,462,403
Held-to-Maturity Investments	11,077,148	26,078,103
Loans and Receivables	1,346,444,270	910,974,414
Property and Equipment	63,588,207	37,667,311
Investment Properties	16,602,232	14,576,772
Intangible Assets	4,772,600	—
Retirement Asset	33,636,973	—
Deferred Tax Assets - net	11,191,703	25,418,282
Other Assets	13,243,366	10,581,226
TOTAL ASSETS	₱1,700,389,340	₱1,163,972,676
LIABILITIES AND EQUITY		
Liabilities		
Deposit Liabilities		
Demand	₱1,943,417	₱441,307
Savings	946,446,592	828,013,759
	948,390,009	828,455,066
Bills Payable	260,000,000	—
Income Tax Payable	18,526,629	10,305,392
Retirement Liability	—	29,089,823
Other Liabilities	41,255,248	28,389,523
	1,268,171,886	896,239,804
Equity		
Common Stock	296,943,600	251,019,938
Surplus	114,941,606	41,823,625
Remeasurement Gains (Losses) on Retirement Plan	20,332,248	(25,110,691)
	432,217,454	267,732,872
TOTAL LIABILITIES AND EQUITY	₱1,700,389,340	₱1,163,972,676

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

	Years Ended December 31	
	2014	2013
INTEREST INCOME ON		
Loans and receivables	₱546,672,021	₱346,292,876
Investments securities	1,368,430	1,688,598
Due from other banks	1,289,378	2,411,461
	549,329,829	350,392,935
INTEREST EXPENSE ON		
Deposit liabilities	21,451,361	18,694,433
Bills payable	1,247,715	39,755
Others	156,760	58,880
	22,855,836	18,793,068
NET INTEREST INCOME	526,473,993	331,599,867
OTHER INCOME		
Gain (loss) on sale of assets - net	2,284,799	(1,901,246)
Miscellaneous	2,290,920	3,231,215
TOTAL OPERATING INCOME	531,049,712	332,929,836
OPERATING EXPENSES		
Compensation and fringe benefits	174,402,398	126,380,839
Taxes and licenses	34,520,504	20,100,917
Transportation and travel	32,196,507	20,865,086
Employee trainings	20,197,087	10,589,404
Occupancy	17,063,839	12,843,986
Stationery and office supplies	16,208,497	13,051,048
Provision for credit and impairment losses	16,105,130	11,882,068
Depreciation and amortization	10,727,405	8,438,281
Security, messengerial and janitorial	8,312,008	5,432,429
Information technology	7,121,032	5,901,205
Meetings and seminars	7,064,745	11,408,788
Insurance	6,309,991	4,475,760
Representation and entertainment	5,799,346	2,940,466
Power, light and water	4,103,508	3,051,621
Repairs and maintenance	3,560,496	3,671,091
Postage, telephone and cable	3,100,328	2,040,029
Professional fees	1,985,187	1,673,142
Fines, penalties & other charges	1,575,116	1,502,438
Program monitoring	1,098,556	1,288,229
Miscellaneous	13,161,969	5,682,512
TOTAL OPERATING EXPENSES	384,613,649	273,219,339
INCOME BEFORE INCOME TAX	146,436,063	59,710,497
PROVISION FOR INCOME TAX	44,284,204	18,643,593
NET INCOME	₱102,151,859	₱41,066,904

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

	Years Ended December 31	
	2014	2013
NET INCOME	₱102,151,859	₱41,066,904
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive gain (loss) not recycled to profit or loss in subsequent periods:</i>		
Gain on remeasurement of retirement plan	64,918,484	13,076,008
Income tax effect	(19,475,545)	(3,922,803)
OTHER COMPREHENSIVE INCOME, NET OF TAX	45,442,939	9,153,205
TOTAL COMPREHENSIVE INCOME	₱147,594,798	₱50,220,109

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

	Common Stock	Surplus	Remeasurement Gain (Loss) on Retirement Plan	Total
Balance at January 1, 2014	₱251,019,938	₱41,823,625	(₱25,110,691)	₱267,732,872
Collection of subscriptions receivable	45,923,662	—	—	45,923,662
Total comprehensive income for the year	—	102,151,859	45,442,939	147,594,798
Cash dividends declared	—	(29,033,878)	—	(29,033,878)
Balance at December 31, 2014	₱296,943,600	₱114,941,606	₱20,332,248	₱432,217,454
Balance at January 1, 2013, as Restated	₱215,513,825	₱6,811,910	(₱34,263,896)	₱188,061,839
Collection of subscriptions receivable	35,506,113	—	—	35,506,113
Total comprehensive income for the year	—	41,066,904	9,153,205	50,220,109
Cash dividends declared	—	(6,055,189)	—	(6,055,189)
Balance at December 31, 2013	₱251,019,938	₱41,823,625	(₱25,110,691)	₱267,732,872

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

	Years Ended December 31	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱146,436,063	₱59,710,497
Adjustments for:		
Retirement expense	19,004,870	17,867,608
Provision for credit and impairment losses	16,105,130	11,882,068
Depreciation and amortization	10,727,405	8,438,281
Loss (gain) on disposal of assets	(2,059,238)	1,901,246
Amortization of debt securities carried at amortized cost	238,800	158,130
Fair value gain on foreclosure of investment properties	—	(1,142,321)
Changes in operating assets and liabilities:		
Increase in the amounts of:		
Loans and receivables	(456,977,954)	(344,132,661)
Deposit liabilities	119,934,943	326,025,774
Other assets	(2,662,140)	(3,571,492)
Other liabilities	12,615,537	11,454,605
Net cash generated from (used in) operations	(136,636,584)	88,591,735
Income taxes paid	(41,311,933)	(17,846,424)
Contributions to the retirement fund	(16,813,182)	(21,692,780)
Net cash provided by (used in) operating activities	(194,761,699)	49,052,531
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment	(36,749,553)	(14,315,760)
Intangible assets	(4,772,600)	—
Unquoted debt securities	(3,014,795)	(20,000,000)
Proceeds from sale or maturities of:		
Held-to-maturity investments	14,820,155	—
Investment properties	5,222,947	4,202,451
Unquoted debt securities	3,271,846	—
Available-for-sale investments	—	8,000,000
Net cash used in investing activities	(21,222,000)	(22,113,309)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid	(28,783,690)	(6,055,189)
Availments of bills payable	285,000,000	—
Settlement of bills payable	(25,000,000)	(26,476,877)
Collections of subscriptions receivable	45,923,662	35,506,113
Net cash provided by financing activities	277,139,972	2,974,047

(Forward)

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	Years Ended December 31	
	2014	2013
NET INCREASE IN CASH AND CASH EQUIVALENTS	₱61,156,273	₱29,913,269
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	4,610,455	2,903,536
Due from Bangko Sentral ng Pilipinas	50,603,710	31,379,001
Due from other banks	83,462,403	74,480,762
	138,676,568	108,763,299
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and other cash items	6,679,030	4,610,455
Due from Bangko Sentral ng Pilipinas	81,135,679	50,603,710
Due from other banks	112,018,132	83,462,403
	₱199,832,841	₱138,676,568
OPERATIONAL CASH FLOWS FROM INTEREST		
Interest received	₱555,943,376	₱347,558,820
Interest paid	23,050,898	18,898,519

CARD MRI INFORMATION TECHNOLOGY, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2014	2013
ASSETS		
Current Assets		
Cash	₱68,274,902	₱58,591,133
Accounts receivable	589,085	17,286
Other current assets	1,344,588	1,932,110
Total current assets	70,208,575	60,540,529
Noncurrent Assets		
Available-for-sale investments	452,000	370,500
Property and equipment	3,003,933	6,942,395
Software costs	3,090,803	4,202,844
Retirement asset	3,792,934	—
Deferred tax asset	—	1,694,218
Total noncurrent assets	10,339,670	13,209,957
TOTAL ASSETS	₱80,548,245	₱73,750,486
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Trade and other payables	₱5,504,498	₱13,101,739
Income tax payable	1,675,224	—
Total current liabilities	7,179,722	13,101,739
Noncurrent Liabilities		
Retirement liability	—	3,402,026
Deferred tax liability	529,788	—
Total noncurrent liabilities	529,788	3,402,026
	7,709,510	16,503,765
Equity		
Capital stock	53,763,158	47,898,746
Retained earnings	17,269,117	13,234,746
Remeasurement gain (loss) on retirement Benefits	1,806,460	(3,886,771)
	72,838,735	57,246,721
TOTAL LIABILITIES AND EQUITY	₱80,548,245	₱73,750,486

CARD MRI INFORMATION TECHNOLOGY, INC.
STATEMENTS OF INCOME

	Years Ended December 31	
	2014	2013
INCOME		
Service income	₱69,625,587	₱55,941,411
Interest income	1,889,098	1,191,154
Dividend income	84,510	126,894
Miscellaneous income	9,234	43,923
	71,608,429	57,303,382
COST OF INFORMATION TECHNOLOGY SERVICES	22,774,941	30,013,719
GENERAL AND ADMINISTRATIVE EXPENSES		
Salaries, wages and other benefits	7,210,450	3,818,732
Information technology expense	7,640,618	3,346,550
Staff training and development	2,106,932	2,888,162
Management and other professional fees	2,106,642	—
Honorarium	1,969,225	—
Seminars and meetings	1,144,623	2,356,691
Fuel and lubricants	1,539,762	1,261,792
Depreciation expense	1,098,165	1,222,900
Postage, telephone, cables and telegrams	1,024,429	946,269
Power, light and water	949,404	893,269
Rent expense	807,203	495,086
Security, messengerial and janitorial services	715,088	620,519
Taxes and licenses	600,570	54,067
Stationery and supplies used	560,896	611,682
Insurance expense	559,736	499,791
Service fee expense	326,252	65,615
Donations and charitable contributions	3,000	500
Interest expense	—	98,333
Others	467,845	1,666,346
	30,830,840	20,846,304
	53,605,781	50,860,023
INCOME BEFORE INCOME TAX	18,002,648	6,443,359
PROVISION FOR INCOME TAX	5,186,473	1,378,749
NET INCOME	₱12,816,175	₱5,064,610

CARD MRI INFORMATION TECHNOLOGY, INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2014	2013
NET INCOME	₱12,816,175	₱5,064,610
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:		
Remeasurement gain (loss) on retirement plan	8,133,187	(1,658,526)
Income tax effect	(2,439,956)	497,558
TOTAL COMPREHENSIVE INCOME	₱18,509,406	₱3,903,642

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

	Capital Stock	Retained Earnings	Remeasurement Gain (Loss) on Retirement Plan	Total
Balances at January 1, 2014	₱47,898,746	₱13,234,746	(₱3,886,771)	₱57,246,721
Issuance of capital stock	5,864,412	—	—	5,864,412
Total comprehensive income for the year	—	12,816,175	5,693,231	18,509,406
Dividend declared during the year	—	(8,781,804)	—	(8,781,804)
Balances at December 31, 2014	₱53,763,158	₱17,269,117	₱1,806,460	₱72,838,735
Balances at January 1, 2013	₱39,439,975	₱20,218,487	(₱2,725,803)	₱56,932,659
Issuance of capital stock	8,458,771	—	—	8,458,771
Total comprehensive income for the year	—	5,064,610	(1,160,968)	3,903,642
Dividend declared during for the year	—	(12,048,351)	—	(12,048,351)
Balances at December 31, 2013	₱47,898,746	₱13,234,746	(₱3,886,771)	₱57,246,721

CARD MRI INFORMATION TECHNOLOGY, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before income tax	₱18,002,648	₱6,443,359
Adjustments for:		
Depreciation and amortization	6,984,029	15,077,580
Retirement expense	2,308,825	2,058,994
Interest income	(1,889,098)	(1,191,154)
Interest expense	—	98,333
Loss on asset write-off/disposal	—	1,362
Changes in operating assets and liabilities:		
Decrease (increase) in the amounts of:		
Accounts receivable	(571,799)	712,097
Other current assets	185,806	(756,098)
Increase (decrease) in the amounts of:		
Trade and other payables	(7,608,745)	2,250,641
Net cash generated from operations	17,411,666	24,695,114
Interest received	1,889,098	1,191,154
Contributions to retirement fund	(1,370,598)	(3,037,785)
Income tax paid	(3,325,483)	(1,758,721)
Net cash flows provided by operating activities	14,604,683	21,089,752
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment	(1,220,897)	(2,308,505)
Software	(712,629)	(2,626,716)
Available-for-sale investments	(81,500)	(263,500)
Cash flows used in investing activities	(2,015,026)	(5,198,721)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of capital stock	5,864,412	8,458,771
Repayment of loans payable	—	(10,000,000)
Interest paid	—	(98,333)
Dividend distribution	(8,770,300)	(12,048,351)
Net cash used in financing activities	(2,905,888)	(13,687,913)
NET INCREASE IN CASH	9,683,769	2,203,128
CASH AT BEGINNING OF YEAR	58,591,133	56,388,005
CASH AT END OF YEAR	₱68,274,902	₱58,591,133

BOTICARD INC.
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2014	2013
ASSETS		
Current Assets		
Cash	₱14,162,892	₱18,779,383
Trade and other receivables	1,065,402	4,651,512
Inventories	8,803,304	3,216,605
Other current assets	363,836	171,500
Total Current Assets	24,395,434	26,819,000
Noncurrent Assets		
Property and equipment	1,026,551	1,615,076
Deferred tax assets	257,685	1,276,811
Retirement asset	718,610	—
Other noncurrent assets	306,219	—
Total Noncurrent Assets	2,309,065	2,891,887
TOTAL ASSETS	₱26,704,499	₱29,710,887
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	₱3,789,128	₱3,549,362
Dividends payable	—	994,500
VAT payable	545,524	2,814,169
Income tax payable	101,093	1,136,927
Total Current Liabilities	4,435,745	8,494,958
Noncurrent Liabilities		
Deposits for future stock subscription	7,274,500	9,595,500
Retirement liability	—	3,001,274
Total Noncurrent Liabilities	7,274,500	12,596,774
TOTAL LIABILITIES	11,710,245	21,091,732
Equity		
Capital stock	10,000,000	7,060,500
Retained earnings	4,257,049	2,993,822
Remeasurement gain (loss) on retirement plan	737,205	(1,435,167)
TOTAL EQUITY	14,994,254	8,619,155
	₱26,704,499	₱29,710,887

BOTICARD INC.
STATEMENTS OF INCOME

	Years Ended December 31	
	2014	2013
NET SALES	44,002,100	50,225,546
COST OF SALES	18,837,115	26,178,571
GROSS PROFIT	25,164,985	24,046,975
GENERAL AND ADMINISTRATIVE EXPENSES	10,737,474	11,381,988
SELLING AND DISTRIBUTION EXPENSES	12,327,733	7,128,156
OPERATING INCOME	2,099,778	5,536,831
OTHER INCOME		
Interest income	218,444	230,188
Miscellaneous	29,616	—
INCOME BEFORE INCOME TAX	2,347,838	5,767,019
PROVISION FOR INCOME TAX	1,084,611	1,834,687
NET INCOME	₱1,263,227	₱3,932,332

BOTICARD INC.**STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31	
	2014	2013
NET INCOME	₱1,263,227	₱3,932,332
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Items that may not be classified to the statement of income:</i>		
Remeasurement gain (loss) on retirement plan	3,103,388	(989,057)
Income tax effect	(931,016)	296,717
	2,172,372	(692,340)
TOTAL COMPREHENSIVE INCOME	₱3,435,599	₱3,239,992

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

	Capital Stock	Retained Earnings	Remeasurement gain (loss) on Retirement Plan	Total
Balance at January 1, 2014	₱7,060,500	₱2,993,822	(₱1,435,167)	₱8,619,155
Conversion of deposits for future stock subscription to paid-in capital	2,321,000	—	—	2,321,000
Collection of subscription receivable	618,500	—	—	618,500
Total comprehensive income for the year	—	1,263,227	2,172,372	3,435,599
Balance at December 31, 2014	₱10,000,000	₱4,257,049	₱737,205	₱14,994,254
Balance at January 1, 2013	₱7,060,500	₱107,490	(₱742,827)	₱6,425,163
Total comprehensive income (loss) for the year	—	3,932,332	(692,340)	3,239,992
Dividends	—	(1,046,000)	—	(1,046,000)
Balance at December 31, 2013	₱7,060,500	₱2,993,822	(₱1,435,167)	₱8,619,155

BOTICARD INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱2,347,838	₱5,767,019
Adjustments for:		
Depreciation and amortization	1,203,916	1,151,273
Interest income	(218,444)	(230,188)
Loss on disposal of property and equipment	—	8,514
Loss on inventory writedown	—	65,918
Retirement expense	1,101,512	955,279
Changes in operating assets and liabilities:		
(Increase) decrease in the amounts of:		
Trade and other receivables	3,586,110	(1,041,904)
Inventories	(5,586,700)	114,259
Other current assets	(498,554)	136,551
Increase (decrease) in the amounts of:		
Trade and other payables	239,766	978,416
VAT payable	(2,268,645)	(40,185)
Net cash generated from (used in) operations	(93,201)	7,864,952
Interest income received	218,444	230,188
Income taxes paid	(2,032,335)	(1,557,749)
Contribution to retirement fund	(1,718,008)	(792,809)
Net cash provided by (used in) operating activities	(3,625,100)	5,744,582
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment	(615,391)	(280,971)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Issuance of capital stock	618,500	—
Deposits for future stock subscription	—	1,946,000
Dividends paid	(994,500)	(51,500)
Net cash flows provided by financing activities	(376,000)	1,894,500
NET INCREASE (DECREASE) IN CASH	(4,616,491)	7,358,111
CASH AT BEGINNING OF YEAR	18,779,383	11,421,272
CASH AT END OF YEAR	₱14,162,892	₱18,779,383

RIZAL RURAL BANK (TAYTAY, RIZAL), INC.**STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2014	2013
ASSETS		
Cash and other cash items	₱1,973,592	₱380,545
Due from Bangko Sentral ng Pilipinas	11,071,066	4,115,479
Due from other banks	85,021,956	39,188,778
Loans and receivables	484,459,528	170,230,048
Held-to-maturity investments	2,006,130	2,011,151
Property and equipment	32,242,848	24,284,161
Investment property	490,160	490,160
Deferred tax assets	1,947,578	5,409,164
Retirement asset	3,386,708	—
Other assets	7,311,265	1,749,689
	₱629,910,831	₱247,859,175
LIABILITIES AND EQUITY		
Liabilities		
Deposit liabilities		
Regular savings	₱188,496,441	₱80,154,264
Special savings	118,853,798	104,074,359
	307,350,239	184,228,623
Bills payable	175,000,000	—
Deposits for future stock subscription	47,500,000	32,500,000
Income tax payable	6,501,183	2,556,913
Retirement liability	—	15,605,570
Other liabilities	11,674,914	4,764,580
	548,026,336	239,655,686
Equity		
Capital stock	49,000,000	17,500,000
Retained earnings (deficit)	28,962,035	(3,806,951)
Remeasurement gains (losses) on retirement plan	3,922,460	(5,489,560)
	81,884,495	8,203,489
	₱629,910,831	₱247,859,175

RIZAL RURAL BANK (TAYTAY, RIZAL), INC.**STATEMENTS OF INCOME**

	Years Ended December 31	
	2014	2013
INTEREST INCOME		
Loans and receivables	₱147,380,855	₱42,415,648
Due from other banks	524,218	308,605
Held-to-maturity investments	133,497	113,177
	148,038,570	42,837,430
INTEREST EXPENSE		
Deposit liabilities	8,996,089	2,786,985
Bills payable	638,972	—
	9,635,061	2,786,985
NET INTEREST INCOME	138,403,509	40,050,445
Gain on foreclosure	—	207,621
Miscellaneous	115,067	6,479
TOTAL OPERATING INCOME	138,518,576	40,264,545
OPERATING EXPENSES		
Compensation and benefits	43,029,699	15,385,799
Taxes and licenses	9,453,148	2,590,351
Transportation and travel	5,972,885	1,657,092
Provision for credit and impairment losses	4,671,862	1,622,100
Stationeries and supplies	4,127,006	1,587,444
Rent	3,366,922	1,464,391
Training and development	3,328,063	511,675
Fuel and lubricants	2,780,645	846,961
Depreciation and amortization	2,743,854	1,248,646
Security, messengerial, janitorial services	2,491,622	866,292
Information technology	1,904,804	1,171,552
Insurance	1,823,056	273,946
Power, light and water	1,150,196	458,088
Repairs and maintenance	579,193	147,770
Seminars and meetings	543,043	335,069
Professional fees	385,605	376,120
Postage, telephone, cables and telegrams	336,905	190,780
Representation and entertainment	207,287	141,172
Miscellaneous	1,585,026	458,511
	90,480,821	31,333,759
INCOME BEFORE INCOME TAX	48,037,755	8,930,786
PROVISION FOR (BENEFIT FROM) INCOME TAX	15,268,769	(415,226)
NET INCOME	₱32,768,986	₱9,346,012

RIZAL RURAL BANK (TAYTAY, RIZAL), INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2014	2013
NET INCOME	₱32,768,986	₱9,346,012
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Other comprehensive income (loss) not recycled to profit or loss in subsequent periods:</i>		
Remeasurement gains (losses) on retirement plan	13,445,742	(7,842,228)
Income tax effect	(4,033,722)	2,352,668
	9,412,020	(5,489,560)
TOTAL COMPREHENSIVE INCOME	₱42,181,006	₱3,856,452

RIZAL RURAL BANK (TAYTAY, RIZAL), INC.**STATEMENTS OF CHANGES IN EQUITY**

	Capital Stock	Retained Earnings (Deficit)	Remeasurement Gains (Losses) on Retirement Plan	Total
Balances at January 1, 2014	₱17,500,000	(₱3,806,951)	(₱5,489,560)	₱8,203,489
Issuance of shares	31,500,000	—	—	31,500,000
Total comprehensive income for the year	—	32,768,986	9,412,020	42,181,006
Balances at December 31, 2014	₱49,000,000	₱28,962,035	₱3,922,460	₱81,884,495
Balances at January 1, 2013	₱10,625,000	(₱13,152,963)	₱—	(₱2,527,963)
Issuance of shares	6,875,000	—	—	6,875,000
Total comprehensive income (loss) for the year	—	9,346,012	(5,489,560)	3,856,452
Balances at December 31, 2013	₱17,500,000	(₱3,806,951)	(₱5,489,560)	₱8,203,489

RIZAL RURAL BANK (TAYTAY, RIZAL), INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱48,037,755	₱8,930,786
Adjustments for:		
Provision for credit and impairment losses	4,671,862	1,622,100
Retirement expense	4,071,087	3,398,702
Depreciation and amortization	2,743,854	1,248,646
Amortization of held-to-maturity investments	5,021	308
Gain on foreclosure of investment property	—	(207,621)
Gain on sale of property and equipment	—	(2,035)
Operating income before changes in operating assets and liabilities:	59,529,579	14,990,886
Increase in:		
Loans and receivables	(318,901,342)	(153,303,276)
Other assets	(5,561,576)	(1,288,559)
Increase in:		
Deposit liabilities	123,121,616	158,357,647
Other liabilities	6,910,334	2,919,877
Net cash generated from (used in) operations	(134,901,389)	21,676,575
Income taxes paid	(11,896,635)	(84,357)
Contribution to retirement fund	(9,617,623)	(416,895)
Net cash provided by (used in) operating activities	(156,415,647)	21,175,323
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment	(10,702,541)	(22,873,586)
Proceeds from disposal of investment properties	—	4,520,035
Proceeds from disposal of property and equipment	—	6,161
Net cash used in investing activities	(10,702,541)	(18,347,390)
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from availment of bills payable	175,000,000	—
Proceeds from deposit for future stock subscription	46,500,000	32,500,000
Cash provided by financing activities	221,500,000	32,500,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	54,381,812	35,327,933
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	380,545	355,664
Due from Bangko Sentral ng Pilipinas	4,115,479	633,928
Due from other banks	39,188,778	7,367,277
	43,684,802	8,356,869

(Forward)

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	Years Ended December 31	
	2014	2013
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and other cash items	₱1,973,592	₱380,545
Due from Bangko Sentral ng Pilipinas	11,071,066	4,115,479
Due from other banks	85,021,956	39,188,778
	₱98,066,614	₱43,684,802
OPERATIONAL CASH FLOWS FROM INTEREST		
Interest received	₱145,619,661	₱39,530,554
Interest paid	8,915,387	2,271,571

CARD LEASING AND FINANCE CORPORATION
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2014	2013
ASSETS		
Current Assets		
Cash	₱12,269,544	₱7,217,494
Trade and Other Receivables	14,785,683	8,609,454
Inventories	2,901,658	2,414,149
Input Value Added Tax	2,953,389	1,182,498
Other Current Assets	1,784,421	239,543
	34,694,695	19,663,138
Noncurrent Assets		
Trade and Other Receivables	16,452,560	9,983,884
Equipment Held for Lease	79,592,000	30,519,035
Property and Equipment	1,313,100	677,544
Retirement Asset	2,318,657	—
Other noncurrent assets	2,020,833	2,270,833
	101,697,150	43,451,296
TOTAL ASSETS	₱136,391,845	₱63,114,434
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and Other Payables	₱6,185,913	₱5,615,867
Loans Payable	27,253,515	6,616,602
Income Tax Payable	—	1,708,530
	33,439,428	13,940,999
Noncurrent Liabilities		
Loans Payable	57,373,372	13,277,681
Retirement Liability	—	1
Deferred Tax Liabilities	687,691	96,995
	58,061,063	13,374,677
	91,500,491	27,315,676
Equity		
Capital Stock	33,174,200	30,143,800
Retained Earnings	10,112,544	5,428,637
Remeasurement Gain on Retirement Plan	1,604,610	226,321
	44,891,354	35,798,758
TOTAL LIABILITIES AND EQUITY	₱136,391,845	₱63,114,434

CARD LEASING AND FINANCE CORPORATION
STATEMENTS OF INCOME

	Years Ended December 31	
	2014	2013
OPERATING INCOME		
Sales from printing	₱67,859,731	₱61,181,009
Cost of sales	(56,293,133)	(50,152,240)
Gross income from printing	11,566,598	11,028,769
Rental and finance income	31,829,817	11,431,664
Interest income	1,391,919	935,722
	44,788,334	23,396,155
EXPENSES		
Depreciation and amortization	22,503,713	5,660,337
Insurance	2,767,447	782,538
Compensation and benefits	2,748,707	2,755,479
Interest	2,261,768	216,380
Program monitoring and evaluation	1,280,427	906,449
Seminars and meetings	869,984	1,027,496
Provision for credit losses	515,016	906,047
Staff training and development	405,634	731,767
Transportation and travel	211,315	343,522
Professional fees	203,177	166,120
Supplies and materials	201,965	293,283
Utilities	133,443	187,969
Rental	120,000	120,000
Taxes and licenses	90,980	667,502
Miscellaneous	588,467	239,757
	34,902,043	15,004,646
INCOME BEFORE INCOME TAX	9,886,291	8,391,509
PROVISION FOR INCOME TAX	3,102,384	2,962,872
NET INCOME	₱6,783,907	₱5,428,637

CARD LEASING AND FINANCE CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2014	2013
NET INCOME	₱6,783,907	₱5,428,637
OTHER COMPREHENSIVE INCOME		
<i>Item that may not be classified to the statement of income:</i>		
Remeasurement gain on retirement plan	1,968,985	323,316
Income tax effect	(590,696)	(96,995)
	1,378,289	226,321
TOTAL COMPREHENSIVE INCOME	₱8,162,196	₱5,654,958

CARD LEASING AND FINANCE CORPORATION
STATEMENTS OF CHANGES IN EQUITY

	Common Stock	Retained Earnings	Remeasurement Gain on Retirement Plan	Total
Balance at January 1, 2014	₱30,143,800	₱5,428,637	₱226,321	₱35,798,758
Collection of subscription receivable	3,030,400	—	—	3,030,400
Total comprehensive income for the year	—	6,783,907	1,378,289	8,162,196
Cash dividends declared and paid	—	(2,100,000)	—	(2,100,000)
Balance at December 31, 2014	₱33,174,200	₱10,112,544	₱1,604,610	₱44,891,354
Balance at January 1, 2013	₱30,143,800	₱—	₱—	₱30,143,800
Total comprehensive income for the year	—	5,428,637	226,321	5,654,958
Balance at December 31, 2013	₱30,143,800	₱5,428,637	₱226,321	₱35,798,758

CARD LEASING AND FINANCE CORPORATION
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱9,886,291	₱8,391,509
Adjustments for:		
Depreciation and amortization	22,503,713	5,660,337
Interest expense	2,261,768	216,380
Provision for credit losses	515,016	906,047
Retirement expense	431,700	420,592
Changes in operating assets and liabilities:		
Increase in:		
Trade and other receivables	(13,159,921)	(19,499,385)
Other current assets	(3,315,769)	(1,422,041)
Inventories	(487,509)	(2,414,149)
Increase in trade and other payables	318,313	5,535,437
Net cash generated from operations	18,953,602	(2,205,273)
Income taxes paid	(4,810,914)	(1,254,342)
Contributions to the retirement fund	(781,373)	(97,275)
Net cash provided by (used in) operating activities	13,361,315	(3,556,890)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Equipment held for lease	(70,968,554)	(35,525,671)
Property and equipment	(993,680)	(1,102,078)
Other noncurrent asset	—	(2,500,000)
Cash used in investing activities	(71,962,234)	(39,127,749)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Availment of loans	75,732,604	19,894,283
Collection of subscription receivable	3,030,400	—
Issuance of capital stock	—	30,143,800
Payments for:		
Settlement of loans payable	(11,000,000)	—
Interest	(2,010,035)	(135,950)
Dividends declared	(2,100,000)	—
Net cash flows provided by financing activities	63,652,969	49,902,133
NET INCREASE IN CASH	5,052,050	7,217,494
CASH AT BEGINNING OF YEAR	7,217,494	—
CASH AT END OF YEAR	₱12,269,544	₱7,217,494

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

STATEMENTS OF FINANCIAL POSITION

	December 31	
	2014	2013
ASSETS		
Current Assets		
Cash	₱3,041,344	₱10,600,619
Finance and lease receivables	24,651,223	11,630,921
Other current assets	206,159	203,203
	27,898,726	22,434,743
Noncurrent Assets		
Finance and lease receivables - net of current portion	9,935,605	22,003,571
Property and equipment	1,903,929	809,126
Investment properties	3,609,186	5,134,992
	15,448,720	27,947,689
	₱43,347,446	₱50,382,432
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other accrued expenses	₱1,230,233	₱492,520
Loans payable	2,500,000	—
Interest payable	63,333	250,000
	3,793,566	742,520
Noncurrent Liabilities		
Retirement liabilities	104,181	607,029
Loans payable	2,500,000	—
Preferred stock classified as liability	—	7,500,000
Deferred tax liability	178,316	—
	2,782,497	8,107,029
	6,576,063	8,849,549
Equity		
Common stock	42,500,000	42,500,000
Treasury stock	(2,901,307)	(2,901,307)
Retained earnings (deficit)	(3,243,380)	1,934,190
Remeasurement gains on retirement liabilities	416,070	—
	36,771,383	41,532,883
	₱43,347,446	₱50,382,432

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

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2014	2013
REVENUE	₱3,664,706	₱4,556,117
OPERATING EXPENSES	9,690,269	7,294,171
OPERATING LOSS	(6,025,563)	(2,738,054)
OTHER INCOME		
Gain on sale of investment properties	388,039	6,116,252
Interest income	10,737	90,428
Miscellaneous income	494,309	—
INCOME (LOSS) BEFORE INCOME TAX	(5,132,478)	3,468,626
PROVISION FOR INCOME TAX	45,092	332,881
NET INCOME (LOSS) AFTER TAX	(5,177,570)	3,135,745
OTHER COMPREHENSIVE INCOME	416,070	—
TOTAL COMPREHENSIVE INCOME (LOSS)	(₱4,761,500)	₱3,135,745

RESPONSIBLE INVESTMENTS FOR SOLIDARITY AND EMPOWERMENT (RISE) FINANCING COMPANY, INC.
STATEMENTS OF CHANGES IN EQUITY

	Common Stock	Treasury Stock	Retained Earnings (Deficit)	Remeasurement Gains on Retirement Liabilities	Total
Balances at January 1, 2014	P42,500,000	(P2,901,307)	P1,934,190	P—	P41,532,883
Total comprehensive loss for the year	—	—	(5,177,570)	416,070	(4,761,500)
Balances at December 31, 2014	P42,500,000	(P2,901,307)	(P3,243,380)	P416,070	P36,771,383
Balances at January 1, 2013	P42,489,000	P—	(P1,201,555)	P—	P41,287,445
Collection of subscription receivable	11,000	—	—	—	11,000
Repurchase of stock	—	(2,901,307)	—	—	(2,901,307)
Total comprehensive income for the year	—	—	3,135,745	—	3,135,745
Balances at December 31, 2013	P42,500,000	(P2,901,307)	P1,934,190	P—	P41,532,883

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

STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	(P5,132,478)	P3,468,626
Adjustments for:		
Provision for credit and impairment losses	3,559,381	2,074,498
Gain on sale of investment properties	(388,039)	(6,116,252)
Interest expense	550,000	1,051,012
Depreciation expense	402,017	411,653
Interest income	(3,675,443)	(4,646,545)
Provision for retirement expense	561,316	59,012
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Finance and lease receivables	(5,861,448)	702,955
Other current assets	46,071	(24,561)
Increase in accounts payable and accrued expenses	415,123	2,306,273
Net cash used in operations	(9,523,500)	(713,329)
Proceeds from interest income	4,820,374	3,330,155
Contributions paid	(469,779)	—
Income taxes paid	(94,119)	(18,085)
Net cash provided by (used in) operating activities	(5,267,024)	2,598,741
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from:		
Absolute sale of investment properties	743,851	5,412,442
Conditional sale of investment properties	322,591	229,880
Acquisitions of property and equipment	(122,026)	(12,700)
Net cash provided by investing activities	944,416	5,629,622
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Renewal of preferred stock	—	7,500,000
Collection of subscriptions receivable	—	11,000
Availment of loan	5,000,000	—
Payments of:		
Redemption of preferred stock	(7,500,000)	(7,500,000)
Return of deposit for future stock subscription	—	(7,142,250)
Interest payable	(736,667)	(1,401,012)
Net cash used in financing activities	(3,236,667)	(8,532,262)
NET DECREASE IN CASH	(7,559,275)	(303,899)
CASH AT BEGINNING OF YEAR	10,600,619	10,904,518
CASH AT END OF YEAR	P3,041,344	P10,600,619

CARD PIONEER MICROINSURANCE INC.
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2014	2013
ASSETS		
Cash and Cash Equivalents	₱414,226,764	₱483,132,427
Insurance Receivables - net	38,688,912	4,616,334
Financial Assets		
Available-for-sale financial assets	20,000	20,000
Held-to-maturity investments	105,675,721	63,973,675
Interest Receivable	1,923,538	2,128,364
Deferred Acquisition Costs	9,016,532	1,126,403
Reinsurance Assets	1,296,980	49,224
Investment Properties - net	10	10
Property and Equipment - net	3,933,096	—
Deferred Tax Assets - net	25,703,865	477,287
Other Assets	4,215,743	453,353
	₱604,701,161	₱555,977,077
LIABILITIES AND EQUITY		
Liabilities		
Insurance contract liabilities	₱72,415,500	₱8,416,152
Insurance payables	2,582,646	1,970,203
Deferred reinsurance commissions	324,824	—
Pension liability	1,800,186	—
Accrued expenses and other liabilities	30,802,045	1,248,240
Income tax payable	—	126,544
	107,925,201	11,761,139
Equity		
Capital stock	490,196,100	490,196,100
Contributed surplus	28,823,532	28,823,532
Retained earnings (Deficit)	(22,243,672)	25,196,306
	496,775,960	544,215,938
	₱604,701,161	₱555,977,077

CARD PIONEER MICROINSURANCE INC.
STATEMENTS OF INCOME

	Years Ended December 31	
	2014	2013
REVENUE		
Gross earned premiums on insurance contracts	₱35,574,605	₱13,015,881
Reinsurers' share of gross earned premiums on insurance contracts	16,791,833	—
Net earned premiums	18,782,772	13,015,881
Investment and other income	17,041,099	22,118,110
Commission income	283,924	—
Foreign currency exchange gains - net	63,911	362,586
	36,171,706	35,496,577
BENEFITS, CLAIMS AND EXPENSES		
Gross insurance contract benefits and claims paid	81,149,222	2,818,214
Reinsurers' share of gross insurance contract benefits and claims paid	(31,055,034)	(721,416)
Gross change in insurance contract liabilities	25,288,953	(814,139)
Reinsurers' share of gross change in insurance contract liabilities	—	721,416
Net insurance benefits and claims	75,383,141	2,004,075
Commission expense	6,901,811	2,131,779
General expenses	22,783,968	8,130,718
Interest expense	265,612	79,775
Provision for impairment losses	110,393	443,250
	105,444,925	12,789,597
INCOME (LOSS) BEFORE INCOME TAX	(69,273,219)	22,706,980
PROVISION FOR (BENEFIT FROM) INCOME TAX	(21,833,241)	3,459,129
NET INCOME (LOSS)	(₱47,439,978)	₱19,247,851

CARD PIONEER MICROINSURANCE INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2014	2013
NET INCOME(LOSS)	(₱47,439,978)	₱19,247,851
OTHER COMPREHENSIVE LOSS		
<i>Items that may be reclassified subsequently to profit and loss</i>		
Fair value gains on available-for-sale financial assets	—	167,963
Transfer to profit and loss	—	(557,039)
	—	(389,076)
TOTAL COMPREHENSIVE INCOME (LOSS)	(₱47,439,978)	₱18,858,775

CARD PIONEER MICROINSURANCE INC.
STATEMENTS OF CHANGES IN EQUITY

	Capital Stock	Contributed Surplus	Revaluation Reserve on Available-for-sale Financial Assets	Retained Earnings (Deficit)	Total
At January 1, 2014	P490,196,100	P28,823,532	P—	P25,196,306	P544,215,938
Net loss	—	—	—	(47,439,978)	(47,439,978)
Total comprehensive loss	—	—	—	(47,439,978)	(47,439,978)
At December 31, 2014	P490,196,100	P28,823,532	P—	(P22,243,672)	P496,775,960
At January 1, 2013	P250,000,000	P4,112,299	P389,076	P40,079,040	P294,580,415
Net income	—	—	—	19,247,851	19,247,851
Other comprehensive loss	—	—	(389,076)	—	(389,076)
Total comprehensive income	—	—	(389,076)	19,247,851	18,858,775
Issuance of shares of stock	240,196,100	28,823,532	—	—	269,019,632
Distribution of contributed surplus	—	(4,112,299)	—	—	(4,112,299)
Cash dividends	—	—	—	(34,130,585)	(34,130,585)
At December 31, 2013	P490,196,100	P28,823,532	P—	P25,196,306	P544,215,938

CARD PIONEER MICROINSURANCE INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	(P69,273,219)	P22,706,980
Adjustments for:		
Depreciation and amortization	588,428	—
Interest expense	265,612	79,775
Provision for impairment losses	110,393	—
Impairment loss on available-for-sale financial assets	—	443,250
Gain on sale of real estate properties for sale	—	(128,761)
Dividend income	—	(290,543)
Gain on sale of available-for-sale financial assets	—	(1,000,289)
Gain on sale of investment property	—	(8,054,582)
Interest income	(17,041,099)	(12,643,935)
Operating income (loss) before changes in working capital	(85,349,885)	1,111,895
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Insurance receivables	(34,182,971)	(2,140,387)
Deferred acquisition costs	(7,890,129)	(89,791)
Reinsurance assets	(1,247,755)	721,416
Other assets	(3,762,392)	62,942
Increase (decrease) in:		
Insurance contract liabilities	63,999,348	(750,923)
Insurance payables	612,445	(811,922)
Deferred reinsurance commissions	324,824	—
Net pension liability	1,800,186	—
Accrued expenses and other liabilities	29,427,259	684,049
Net cash used in operations	(36,269,070)	(1,212,721)
Interest paid	(265,612)	(79,775)
Income tax paid	(3,393,336)	(3,282,360)
Net cash used in operating activities	(39,928,018)	(4,574,856)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale/maturities of:		
Short-term investments	—	4,365,397
Available-for-sale financial assets	—	7,836,008
Held-to-maturity investments	6,250,000	3,200,000
Investment property	—	8,054,592
Real estate properties for sale	—	11,719,580
Acquisitions of:		
Held-to-maturity investments /	(48,267,540)	(3,636,177)
Property and equipment	(4,206,030)	—
Interest received	17,245,925	11,671,040
Dividends received	—	290,543
Net cash provided by (used in) investing activities	(28,977,645)	43,500,983

(Forward)

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	Years Ended December 31	
	2014	2013
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares of stock	₱—	₱240,196,100
Additions to contributed surplus	—	24,711,233
Dividends paid to stockholders	—	(34,130,585)
Net cash flows provided by financing activities	—	230,776,748
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(68,905,663)	269,702,875
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	483,132,427	213,429,552
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱414,226,764	₱483,132,427



CARD MRI

CARD Mutually Reinforcing Institutions