

Keeping the *Spirit*

CARD Mutually Reinforcing Institutions
Annual Report 2013





Our Vision

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

Our Mission

CARD MRI is committed to:

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

About the Cover

Marlon T. Ramos, a driver of CARD Bank of six years, lives with his family in a small brick house near the seashore of Tacloban City. On the day Typhoon Yolanda struck on November 8, 2013, he stayed at home to take care of the house while the rest of the family evacuated. The unexpected storm surge did not only totally destroy his house but also washed him one kilometer away toward the mainland. If he had not tried to hold on to a tall building in the sea of water, he would have lost his life like nearly 7,000 other people.

After the storm, he stayed with his wife and children in his mother's house in the nearby town. The cover picture was taken on the day Marlon came back to visit his house after the typhoon. On the ground, which was his house's kitchen, a small plant is growing strong through the concretes and bricks, just like Marlon and the rest of the people from Tacloban, Samar, and Leyte who are thriving to stand up on their feet again.



Message

“We continuously reinvent our organization while remaining anchored to our purpose, holding firmly to the values that guide us, and keeping in mind the people we serve. **This, I believe, is the CARD MRI spirit.**”

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

CARD MRI was built on the idea of change. Today, we can say that we live in a time of extraordinary, positive change—a time that has lifted many people out of poverty, allowed women to make informed decisions, and transformed the way we learn, create and engage. Indeed, we have grown in many ways.

Yet even as we make unparalleled progress in creating a more equitable country, poverty and injustice still remain. Yes, we have made leaps and bounds in our journey to transformative change but we are powerfully reminded every day that much is needed to be done in order to alleviate poverty. In a time that offers so much hope, the reality of our present challenges remains visible.

We live by our core concepts that reflect our commitment to our members but we also push ourselves harder, deviate from the established ways of doing things, and strive to introduce innovations in our products and services. CARD Bank, Inc., CARD SME Bank, Inc. and Rizal Rural Bank (Taytay, Rizal), Inc. are concentrating their efforts to come up with innovative offerings that will change the banking industry. This is the same for the rest of our institutions as they narrow the path between what is and what they aspire to be. Our more than 6,000 staff served more than PhP 2.2 million clients this year, with more than PhP 28.5 billion loans disbursed and more than 5.8 billion savings in total. Meanwhile, our CARD Mutual Benefit Association, Inc. and CARD MRI Insurance Agency, Inc. have insured more than 9.2 million individuals.

CARD MRI accepts the challenge of reimagining the path to poverty alleviation. Through the Development Services for the Hardcore Poor (DSHP), a program

managed by the Community Development Group under CARD, Inc., women from the poorest communities are given intervention in the forms of livelihood training and financial literacy. With this, they are prepared to avail financial access that will widen their opportunities and consequently, allow them to lead better lives.

Aside from DSHP, we also provided a range of other community development services to our members and their families. As of this year, we have produced 1,503 graduates from our scholarship program. We have supported 4,398 students, both members and their children, in their high school and collegiate studies. We also provided health access to 1,636,409 individuals through our Microfinance and Health Protection Program. Nationwide, our 18 health clinics, 1,391 partner health providers and eight generic drugstores are always ready to serve our members, their families and the community.

This year, our country was beset with an earthquake in Bohol and a super typhoon in Eastern Visayas and other nearby areas. CARD MRI immediately responded to these areas and provided relief goods, stress debriefing, health missions, and immediate claims payment to the affected members and staff. The situations may be difficult but I know that we will move forward from these.

Over the years, CARD MRI has been engaging widely and listening more closely for innovative ways of thinking and doing. We continuously reinvent our organization while remaining anchored to our purpose, holding firmly to the values that guide us, and keeping in mind the people we serve. This, I believe, is the CARD MRI spirit.





The motherly spirit
Center for Agriculture and Rural Development, Inc.



Elma B. Valenzuela
Executive Director

A mother is best known for nurturing her children and at the same time allowing them to stand on their own. CARD, Inc. does just the same to the members and the other institutions of CARD MRI.

It has been 28 years since CARD, Inc. first offered startup loans and community-based social development programs for landless rural workers. Today, it has helped transform women into more productive, financially-secured and self-sustaining citizens who contribute to their families and communities. As of December 2013, we have about one million members across the country and a repayment rate of almost 100%.

Small loans, big dreams

CARD, Inc. listens to its members and gives importance to their voices. We recognize the importance of participation in the crafting of microfinance policies and products. This is evident as we continuously match our products and services to their needs. This year, we increased the loan ceiling for various loans and reduced the process for loan validation to fast track its approval and release.

We also revived the Agricultural Loan after temporarily ceasing its implementation due to some difficulties we encountered. With the help of consultants from other organizations, we have a total of 23 regions implementing Agri Loan with some 72,307 borrowers.

We also intensified our support to existing SIKAP and Agri Loan borrowers who are ready to take Small Business Loan or SBL. Complementing this is the assignment of full-time account officers to assist and handle repayments in established collection points in some parts of the Visayas and Mindanao Region.

Bigger loans, higher returns

Our ultimate goal is to transition our members who are engaged in micro enterprises to venture into formal banking. By transitioning, they can avail of bigger loans to expand their business operations, optimize their opportunities, and earn higher returns. From January to November 2013, we successfully transitioned 50 of our units to CARD Bank, Inc., CARD SME Bank, Inc., and the newly-acquired Rizal Rural Bank, Inc.



These transitions raised some concerns for the institution. However, we took it as a chance to carefully plan our strategies. It also became an opportunity for us to consult more with our members.

A flicker of hope

Many of our members and their families were gravely affected when super Typhoon Yolanda hit the country last year. The devastation was evident in several towns and provinces especially Samar, Leyte and other nearby areas devastated. CARD, Inc., together with the rest of CARD MRI, responded to their needs as fast as we could. No matter how difficult the situation was, we had to be there for our members and staff.

The rehabilitation operations we started brought a flicker of hope for our members and their families as we help them get back on their feet through our disaster response efforts.

Several well-meaning groups and individuals also entrusted their donations to us. One of them is a Php3.1 million donation from the Pioneer Foundation Inc. (the social arm of the Pioneer Group). This is for the housing and livelihood rehabilitation project in the towns of Basey and Balanguiga in Samar.

Reaching out to the hardcore poor

In July 2013, we launched the “Development Services for the Hardcore Poor.” This program is managed by the Community Development Group of CARD MRI and targets to help women who belong to the poorest communities. These women are considered “un-bankable” and are labeled as a credit risk because they cannot pay back. This program offers a direct intervention to the stakeholders through livelihood training and financial literacy. After these interventions, hopefully, these “poorest of the poor” will also be ready for formal banking to avail of a wider set of benefits and opportunities for them and their families.

As of December 2013, we operate this program in areas in the Bicol region and Quezon province with 648 members grouped into seven units. We target to increase our reach to a total of 25 units in 2014 with 14,040 members. We are planning to intensify this program and replicate it in more areas in 2014.





The innovating spirit
CARD Bank, Inc.



Dolores M. Torres
President/CEO

The Innovating Spirit

The pace of change continues to increase for the banking industry. What was satisfactory yesterday can be superseded by better ideas today. For the last 16 years, we have been intensifying our abilities to create, develop, and evaluate new ideas that are significant to the clients' ever changing needs. It can be said that CARD Bank, Inc.'s strength is the capacity to reinvent itself and remain rooted to its vision and mission.

This year, our institution revolved around three central messages – innovation, expansion, and more progressive families.

Encouraging innovation

As an organization that promotes innovation, CARD Bank, Inc. engendered creativity and calculated risks to come up with better products and services to the clients. Together with Grameen Foundation, CARD Bank, Inc. institutionalized the savings mobilization project. Since its inception four years ago, the project made a remarkable growth in the profitability of a savings officer and defined caseload targets for account officers, unit managers, and savings officers. The savings mobilization project proves to be essential for both improving CARD Bank, Inc.'s performance and growth as the number of clients with savings reached a total of PhP 1,039,639.

Along with the savings mobilization project is the grand launch of Matapat Savings. This is the realization of our dream – to provide 24/7 banking access to the members. The word matapat is a Tagalog word for honest or truthful and is a revered Filipino value. CARD Bank, Inc. assures its members that they can entrust their hard-earned money to this savings account. It features 24/7 banking access which allows members to monitor their savings account and withdraw from it. With additional 24 ATMs installed in CARD Bank, Inc. branches located in Marinduque, Mindoro, Quezon, Masbate, Bicol, Baguio, La Trinidad, and Davao, more members can enjoy the convenient and transparent banking access offered by Matapat Savings.

Another innovation is on its way as we piloted the mobile financial system in nine centers across Laguna and Quezon. We are exploring if members can do their financial transactions using their mobile

phones. The initial stage showed favorable response among the members. The mobile financial system is scheduled for roll out in 2014.

Aside from these projects, we also launched the opening of foreign currency account in San Pablo Branch. We also rolled out the Maagap Gift Card and CARD Sulit Padala in all CARD Bank, Inc. branches.

Embracing expansion

Bringing financial services closer to the Filipino people is what we work hard for. Today, we have expanded to a total of 54 branches in Luzon, Visayas, and Mindanao. We have a total of 789,617 microfinance clients nationwide.

We also keep in mind the continuous development of our members by focusing on the transition of members who are ready to embrace higher forms of banking services. Those who were qualified were transitioned to CARD SME Bank, Inc. CARD Bank, Inc. considers and supports the needs of other institutions as well. Our team assisted the banking operations of Rizal Rural Bank (Taytay, Rizal), Inc. in terms of compliance, security, and audit through an in-sourcing arrangement.

The Bangko Sentral ng Pilipinas recognized our pursuit of excellence and gave CARD Bank, Inc. the Hall of Fame Award by being a consistent Financial Inclusion Champion awardee from 2011 to 2013.



Pushing for more progressive families

The innovations we introduce and the expansions we undergo are CARD Bank, Inc.'s means to continuously vitalize our clients. More empowered members translate to more progressive families.

Aside from the products and services intended for the members, we also launched the Maagap Savings for kids. A savings caravan was launched to promote the importance of savings among children. This is done in partnership with elementary schools within the scope of CARD Bank, Inc. branches.

While we encourage innovation and embrace expansion, we also distinguished the *Nanays* and their hard work. This year, we honored the micro entrepreneurs who pursue excellence in their chosen venture and create opportunities to the community through the *Galing ni Nanay Awards* (GNN). This award is our way of respecting and recognizing the members who strive hard for the betterment of society. Nanay Ernanie Llema, a crab meat producer from Masbate, bagged the GNN Micro Entrepreneur of the Year. Alongside Nanay Ernanie are five more empowered awardees who are enabling their own families and communities through their livelihood ventures.

The year 2013 was all about chasing dreams and making them happen. Another exciting year is ahead of CARD Bank, Inc. and I know that we will thrive because of our innovating spirit.





The spirit of good governance CARD Mutual Benefit Association, Inc.



May S. Dawat
General Manager

The Spirit of Good Governance

The members and their best interest are at the heart of everything we do at CARD MBA. Our institution is owned and managed by the members and our governance is guided by the CARD MRI core values. Among these, the values of stewardship, humility, simplicity, and excellence stand out and define who we are.

Responding to needs

CARD MBA is very receptive to the changing demands of our members. We always keep the best interest of members in mind. This year, we implemented product enhancements without having to ask for additional contributions from the members. We decided to re-evaluate the Daily Hospitalization Income Benefit (DHIB) but enhanced the Basic Life Insurance instead.

Our established 42 provincial offices all over the country has served our clients and further broadened our coverage. We have rolled out the CARD MBA System to 93% of the offices to ensure faster enrolment and claims settlement for our members. The remaining 7% will be rolled out by February 2014. With these improvements, we are challenged to train our staff in analyzing the data being generated by the system.

This 2013, we also reinforced the BOT election process based on the lessons we learned from our members and from experiences.

Stronger together

Our institution played a predominant part in the disaster response efforts of CARD MRI when Typhoon Yolanda and other calamities hit the country. CARD MBA provided immediate relief and assistance to our members from different affected areas. This year, we reached out to 319, 023 members who received Php117, 662, 222.21 worth of assistance. We also paid a total of Php573, 002, 562.26 claims that are released within the 1-3-5 day target of the institution.

These events challenged our capacity as an institution. The aftermath of these disasters posed difficulties for all of us. However, we accepted the challenge and rose above the situation. After all the lessons learned, CARD MBA came out stronger and better. We did it because CARD MRI was behind us as we faced these tribulations.



Steadfast ties

This year, CARD MBA hosted the ICMIF-AOA Development Network Seminar. In this event, practitioners from all over the world gathered together to share the best practices in microinsurance.

We also started a joint venture with Pioneer Group which gave birth to CARD MRI's 12th institution - the CARD Pioneer Microinsurance, Inc (CPMI). While majority of the ownership still belongs to Pioneer Group, CARD MBA holds a significant amount of stake in the partnership.

We were also given the chance to teach and learn about microinsurance through an international partnership with Union Life - a Thai commercial insurance company. This partnership will be CARD MBA's participation in the forthcoming 2015 ASEAN Integration.

Growth through learning

CARD MBA Board Members participated in trainings that enhanced their skills and capacities. These include Governance Workshops (local and international), Orientation on Basic Financial Statements, and Social Graces. We also intensified our team's capacity through the team building workshop and salesmanship training.

Gearing for the future

Our team is planning to implement reinsurance to protect the members. This is possible by partnering with other insurance companies. The implementation of reinsurance is a way to mitigate risks from unforeseen circumstances and protect the institution as well.

Amidst our accomplishments, we remain humble and we never forget the real purpose of our existence. We always foster simplicity in all aspects of the association - from the policies we implement, the products we offer, and in the way we treat our members. We stay moored to our goals and we live by the CARD MBA spirit.





The spirit of knowledge-sharing
CARD-MRI Development Institute, Inc.



Edzel A. Ramos
Institute Director

At CMDI, empowerment for the staff and members begins but never ends. We do this by maintaining a spirit of knowledge-sharing. The trainings and education programs we conduct plays a significant role in realizing the goal of CARD MRI: total and holistic development for all Filipinos.

A journey of transformation

In 2013, we introduced a summit we call “Transformational Journey,” enabling staff from all levels and regions to participate in activities that could strengthen their knowledge and provide better understanding of the vision and mission of CARD MRI. By letting our staff participate in the summit, we could also communicate how much we appreciate the contribution of each and every staff in attaining our goal.

One of the major highlights of our training offerings this year is the development of training modules in environmental topics in partnership with CARD-Business Development Service Foundation Inc. (CARD-BDSFI). We also imparted knowledge to our members in fun and exciting ways through the *Lakbay Aral*. To further enhance their businesses, we continued to offer Enterprise Development trainings this year.

We also strengthened our partnership with different schools and universities to give our staff the chance to pursue higher education. This program also lets some of our members and deserving students from indigenous tribe to finish tertiary education.

Re-building hope

In 2013, many of our fellowmen experienced grave calamities. CMDI did its part by providing stress debriefing and critical incidence rebriefing in the Bohol earthquake and in Eastern Visayas supertyphoon. We also participated in seminars and relief assistance in the affected areas.

Sharpening our tools

If we would describe our trainings now, we can say that the ones we offer are “needs-based.” We consider this as more strategic since we do training needs assessment (TNA) to potential trainees.

We also improved our operation by designating deputy directors that would take charge of the decentralized trainings in Luzon, Visayas, and Mindanao. Many unit managers were also accredited to become trainers after evaluating their capability and proficiency. We also improved our infrastructure for a better learning experience.

What's ahead

In 2014, CMDI will dream bigger. As early as now, we are already preparing ourselves for a big leap



forward. We are going to become a tertiary degree offering institution that produces committed agents of development.

What sets CMDI apart from other tertiary-level institutions is that it is going to implement an E to E to E strategy or “Education to Exposure to Employment.” All our students will get the chance to immerse in the development programs of CARD MRI as part of their curriculum.

We will continue what we do best: a practitioner-led institution where our core activities like training and degree programs will still be focused to the needs of the staff and members of CARD MRI.



The creative spirit

CARD-Business Development Service Foundation Inc.



Aristeo A. Dequito
Chief Executive Officer

From indigenous fashion to organic farming

In 2012, we have successfully proven that microfinance and fashion, regardless of how seemingly different the two fields are, can also have a connection. Our house brand called “Mga Likha ni Inay” has made its way to the limelight by showcasing pieces made from indigenous materials created by our very own clients.

This 2013, we decided to put the spotlight on the very reason why CARD-BDSFI was established in the first place—the agricultural sector. Two years ago, we launched the project called “Luntiang Bukid ni Inay”. This was first offered as a contest to our members in coming up with the best backyard farm situated in their center houses. Our members grew vegetables, herbs, and other short term crops. When we have succeeded in raising the awareness of the benefits of backyard farming to our members, we thought that it is high time we raise our project to the next level. This is when we initiated our project on developing organic farms.

This project enabled us to concretize a strategy to sustainably raise environmental awareness among our clients. In four different areas in Laguna, Quezon, Mindoro Occidental, and Mindoro Oriental, we developed farms implementing different technologies such as free-range chickens, bee keeping, and vermiculture.

In cooperation with the CARD-MRI Development Institute, Inc. (CMDI), we developed a training module on organic farming and livelihood training for bamboos for our clients. We hope that by training them, they can practice organic farming in their own households while generating an extra income for their families as well.

Through our farms, we have formulated our own organic fertilizer. This is now being formulated by our clients for their own personal use as well as for commercial purposes. Further, we translate the farm produce into revenues by selling to organic markets and to institutional buyers. CMDI is currently the biggest bulk buyer.

Other than the chickens and the vegetables

In trying times, the spirit of family arises. Together with the CARD MRI, CARD-BDSFI lent its helping hand to the victims of Typhoon Yolanda in the best way we know how. Through our network of grocery suppliers, food relief packs are supplied easily in the affected areas. This allowed fast and immediate transfer of goods to the affected members.

Through our solar products, we have also provided the much energy needed in the unit offices in the affected areas. Smooth flow of communication was ensured as portable solar panels were utilized in providing battery life to the mobile phones of the staff.



Cultivating more solid grounds

2013 is a great year for CARD-BDSFI. We only hope that in 2014, more accomplishments would be achieved by our institution.

By 2014, we hope to include tilapia production and intensive hydroponics in the 14 existing technologies in our organic farms. We will further intensify our current agricultural products especially the black rice cultivation.

We are also projecting that in the year ahead, “Mga Likha ni Inay” would be a separate legal entity from CARD-BDSFI. As an off-shoot, it will open ten more outlets in different locations nationwide. As of now, we have a total of 197 regular suppliers for the MLNI brand.



The assuring spirit
CARD MRI Insurance Agency, Inc.



Vener S. Abellera
General Manager

CARD MRI Insurance Agency, Inc. (CaMIA) ascertained that we have the strength of character to back up our commitments. Our drive is to deliver unparalleled value to our clients through simple but accurate processes in terms of their insurance needs.

Assurance in times of need

No one is exempted from risks posed by unforeseen circumstances. We can become vulnerable and it hinders us from moving forward after these events. Moving out from poverty becomes an enormous ordeal because of vulnerability. CaMIA prevents this from happening by safeguarding our clients' welfare in times of needs. We find the best ways to satisfy the life and non-life insurance needs of our clients. CaMIA is known for the simple, speedy, and sincere service we render to members, staff, and different institutions of CARD MRI.

This year, our country was stricken by two natural disasters. The earthquake in Bohol and Typhoon Yolanda in Eastern Visayas and other nearby regions resulted to damaged properties and lives lost. It was a challenging year for our country and fellowmen. Many of our clients and their families were affected. Together with the rest of CARD MRI, CaMIA served as a glimmer of hope as we bring immediate response to our disaster-stricken clients. We released claims right away - no long lines needed, no messy paperworks required. Our institution served a total of 15,667 clients and released Php 85,263,450 amount of claims.

New and notable strides

Our team continuously seeks new product lines that will benefit the clients and our institution. We studied and tested new programs that will deliver a more profound safety net for the clients. These are the CARD Crop Assistance Program and CARD Care.

In cooperation with the Pioneer Group and CARD, Inc., the CARD Crop Assistance Program provides assistance to clients with damaged agricultural business. The program is tailored for agricultural clients and was tested in Pangasinan, Cagayan Valley, Samar, Leyte, Agusan

del Sur and Agusan del Norte. The pilot ran from June to December 2013 and served 3, 075 members. To complement this program, trainings were given to CARD MBA Provincial Managers for salesmanship and MI-Agents were re-trained for claims and validation.

During the trial period, our team observed the rate of typhoons in the pilot areas. These natural occurrences present risks and we are looking for the possibility of having a product to address “business interruption” for members who cannot pay obligations due to disasters. With this, moratorium will be less used thus protecting the cash flow of the family and the portfolio of the institutions.

On the other hand, CARD Care was created to provide the daily hospitalization income benefit for the clients. This product insures the profit loss of clients and is offered for CARD members only. In July 2013, the program was pilot tested in six provincial offices. It covered five thousand members



from Tarlac, Bataan, Bulacan, Ilocos, Nueva Vizcaya and Palawan. This product line is done in partnership with Pioneer Group.

An exciting year ahead

CaMIA is geared toward working hard and providing the best insurance products and services for the institution and its stakeholders. Members, staff and clients can expect additional benefits in CaMIA PAID Plan. Its premium will increase from Php 250.00 to Php 450.00 annually and the insured will get higher benefits that can amount to Php 200,000.

Our company continues to undertake important changes. These transformations firmly placed us for notable growth and development. With CaMIA’s assuring spirit, we look forward to another year of progress and prosperity as we continue to pursue innovative ways of assuring our stakeholders in times of need.





The team spirit CARD SME Bank, Inc.



Mary Jane A. Perreras
President/CEO

Of all the things that hold CARD SME Bank, Inc. together, the vision to uplift the rural SMEs binds us as a family. We run towards the same goal while being aware of each other's own purpose. In our bank, we believe that each has a unique and significant contribution in realizing our common goal.

Making a mark

Together as a team, we have been aspiring to make a distinct mark in the banking industry. This year, we undertook several initiatives reinforcing our core competence as a full-service thrift bank providing our customers deposit products: savings, checking and time deposit accounts, as well as business and consumer loans. Being one of the institutions under the wings of CARD MRI, we still continue to do our part in nation building by delivering microfinance loans to less fortunate members who want to gain financial freedom.

The introduction of two loan products to fill the void in the housing and agricultural financing requirements in the CALABARZON region and other nearby cities and municipalities was one of the initiatives of CARD SME Bank, Inc. in 2013. The Bahay Katuparan Loan was launched during the same year. This is a loan program designed to provide an affordable and hassle-free application housing loan facility to our customers. We have formed an alliance with Bella Vita Land Corporation, an Ayala-owned real estate developer, to support this program and establish a one-stop shop for our customers. Our partner is known for developing and constructing socialized and economic housing projects, giving our customers access to low-cost, quality and beautifully designed houses.

Second, an Agri-finance loan facility was launched later in the year in cooperation with International Finance Corporation or IFC. This is our response to the increasing need for funding assistance of farmers in the Agri-Agra sector which is neglected by bigger banks and other lending institutions. With this loan product, we aim to support farmers to maintain and eventually increase their crop production every year.

In support of our existing and newly developed products, we underwent reorganization among the ranks as well as in the middle management level. This change aims to streamline precise and pragmatic processes and deliver timely and relevant services to our customers.

A lot has been done in 2013 to strengthen and improve our position. But we will not stop there. We will concentrate our efforts to remain focused in our goals. We will also strive to make our distinct mark in the banking industry. In the years ahead, expect a relentless CARD SME Bank, Inc. as we face the ever-evolving challenges that come with the pursuit of growth and development. The road to our goal may seem challenging still, but together as a family and a team, we know that no goal is too difficult for us to achieve.





The dynamic spirit
CARD MRI Information Technology, Inc.



Edgar V. Cauyan
President

Changes in developing countries have been more prominent during the past two decades. These multi-dimensional changes are observed in almost all aspects of life: economics, education, communication, and travel. According to experts, these can be traced because of information technology.

Getting information quickly and accurately is very important in a technology-driven society. We live in a world where information provides leverage for the stakeholders. It is CMIT's responsibility to capacitate CARD MRI during these times.

Strategic thrusts

This year, CMIT directed its effort on standardization through policy, process, and procedures. This was done to support CARD MRI's goal of attaining 5.3 million clients by 2015 and to have marketable rates in the forthcoming 2015 ASEAN Integration. Along with this, we also followed best practices and pioneered IT policies that are adapted by other institutions.

A CARD MRI IT Steering Committee, which is composed of the institutional heads, was formed to assess and approve projects based on business value. Project prioritization follows after projects are approved. CMIT also adapted Teamwork as its primary project management tool.

Learning by doing

The institution conducted two major workshops as an initiative towards business-IT alignment. These workshops are the Business Model Canvas and IT Strategy Workshops. The Business Model Canvas Workshop, held in May 2013, is a high-level view of CARD MRI's value propositions, customers, channels, key resources, partners, activities, cost, and revenue structures as defined by the institutional

heads. Meanwhile, the IT Strategy Workshop, held in June 2013, involved key officers and stakeholders across CARD MRI. The participants joined the 5-module workshop based on Info-Tech Research Group's model of aligning business and IT strategies.

CMIT also initiated the Information Technology Infrastructure Library (ITIL) training and certification of 25 officers from different institutions. Aside from this, 13 staff were sent to Malaysia for intermediate training.

PSIA Membership

For CMIT to remain up-to-date on the latest trends in the software industry and gain access to the big players in the software business, we joined the Philippine Software Industry Association. An induction ceremony was held on October 30, 2013 during PSIA's General Membership Meeting.



Operating highlights

Our team is committed to develop systems that are useful for the institutions and their programs. This year, we developed nine projects that that will improve the processes of the institutions. These are:

- a. Redesigned CARD MRI and institutional websites in a new web domain (www.cardmri.com)
- b. iCAMP Single Sign-On (CARD MRI Intranet)
- c. MAHP Laboratory System
- d. Maagap Gift Card System
- e. CARD Sulit Padala System (Domestic Remittance)
- f. BeTouch (SMS Marketing Tool)
- g. SurveyMonkey (Online Survey)
- h. EMPC System v2.0
- i. Stocks Administration System

CMIT also established our three major offices and regional hubs to further serve the needs of CARD MRI.





The healthy spirit
BotiCARD Inc.



Rosenda P. Aquino
President

A little dose of our history

Consulting with a doctor is not as difficult as it was years ago. With pool of volunteer doctors and government hospitals, the poor can now have access to medical consultation. However, the other end of the spectrum posts a different story. Buying medicines is the harder part of the equation. If any institution understands the situation profoundly, it would have to be BotiCARD Inc.

Three factors affect this complicated equation. These are cost, access and quality. Accessibility and quality may not be the biggest of issues for people living in an urban area because of the thriving drugstores around. Cost, on the other hand, is an entirely different story.

The equation becomes all the more difficult for those living in the remote villages. In their case, these three factors are even harder to work out. This is the very predicament that CARD clients face in times of illness within the family. While one can find an affordable doctor consultation, quality, affordable, and accessible medicine is not that easy to acquire. People are faced with several questions when dealing with medicines: Can I afford it? Is it effective? Where can I buy it? Then of course, there's the unavoidable question of how can I continue my livelihood and repay my loan?

BotiCARD Inc. was CARD MRI's answer to this predicament. The institution was established in May 2011 within the framework of CARD's operations and within the bounds of its resources and expertise. Since its establishment, we have expanded our branches in Luzon, specifically in Manila, Laguna, Oriental Mindoro, Batangas, Quezon, and Cavite.

Rising above our predicaments

This year, BotiCARD Inc. experienced shortages of supplies. As a response, we decentralized our supplies management and expanded our supplier pool. We searched for suppliers who can deliver our needs and demands. This effectively lowered our risk of supply shortage. The process proved its efficacy as we provided timely supply of medicines for our disaster relief packs during the onset of the two major disasters - Bohol earthquake and Typhoon Yolanda.

Our institution recognized the need for a solid, strong and sustainable marketing strategy. This led us to the launch of Lead, Execute, Achieve, and Deliver (L.E.A.D.) Strategy. We started offering over-the-counter consultation and free health advice in our branches. This is our effort to get us closer to our customers and to get to know them better. We also went “beyond-the-counter” by conducting health education activities that reach out to a greater number of clients through lay forum and participation in mobile health clinics.

We have identified our strengths and weaknesses in terms of sales. This is our conscious effort to work on our weaknesses and boost our strengths in order to push sales. One significant result of the LEAD strategy is the establishment of a more effective staff management system. In September 2013, we divided the branches into two clusters. Each is headed by one cluster manager and is given targets required to achieve. Both clusters have shown far better performance since then.

BotiCARD Inc. also tapped the CARD MRI group network in spreading the job announcements in



order for us to find a pharmacist. We are also searching within our networks to find qualified staff who can join our dynamic team.

Getting better

We have great plans for BotiCARD Inc. this coming 2014. We will intensify our LEAD strategy even more. We also plan to create a client database which will give us the profile of more than two million clients of the CARD MRI. This will contain the profiles of our clients so we can communicate with them our activities, announcements, schedules of community clinics, and healthy tips. We also hope to enroll approximately 100,000 clients from our projected 12 branches for 2014 in this data base.

BotiCARD Inc. will continue to evolve and be more creative in finding more effective solutions to solve the equation of cost, quality and accessibility of medicines for the poor people.





The courageous spirit Rizal Rural Bank (Taytay, Rizal), Inc.



Flordeliza L. Sarmiento
President/CEO

The spirit of bayanihan—a Filipino word describing communal unity, cooperation, and pouring of resources—is very much alive in CARD MRI when it tended a struggling rural bank back to its good shape. How we transformed a small rural bank with a minor portfolio filled with overdue accounts and capital shortfall to a thriving microfinance-oriented bank is a story worth sharing.

Answering the call

It was in 2012 when the Bangko Sentral ng Pilipinas (BSP) sounded a call for help for Rizal Rural Bank (Taytay, Rizal), Inc. Believing in the mission of RRB to help the disadvantaged, CARD MRI officially answered the call on October 11, 2012 and acquired ownership of the bank. We believe that local businesses and entrepreneurs are increasingly vital for rural development. Since rural banks are embedded in the communities where they operate, they are in the best position to these endeavors. On January 25, 2013, BSP officially approved the transfer of 100% ownership of RRB to CARD MRI including the transfer of RRB's head office to Sta. Cruz, Laguna from Taytay, Rizal.

To bring a fresh start to the newly-acquired bank, we transitioned microentrepreneurs who were ready to avail of formal banking services. These started out under the wings of the CARD, Inc. and were guided to become “bankable” loan borrowers capable of paying their loans, and therefore acceptable to formal banks as risk-free bank clients.

Aside from the clients of CARD, Inc., employees and personnel were also transitioned to RRB. The staff, with their bayanihan spirit, embraced the responsibility of nurturing the newest addition to the CARD MRI family.

Despite the challenges that come with transitioning, the organic staff of RRB took the changes as an opportunity to learn and experience a new field in their careers. They welcomed and accepted their new roles as corporate employees running a formal banking institution.

Establishing a new identity

We are tremendously grateful to CARD Bank Inc.'s compliance officers for helping us in the transition process. Their guidance and training contributed to what RRB has become today. Now, we face the challenge of living up to the expectations of our partners and supporters. We face the challenge of establishing our own identity as RRB.

With just a year of operations, we can say that RRB has already made leaps and bounds in the service of our clients. We can say that our institution's status is far more positive from where it was. Today, it provides needed financial services for CARD MRI members who need to support their small and micro enterprises in the community. In turn, members displayed good repayment record and helped RRB's financial standing at a steady pace.

Raising the bar

RRB is still a young institution that needs continuous tending. We still need to improve internally and



invest in our people through capacity building. We are strengthening our foundation as we embark on new beginnings.

We are filled with enthusiasm as we face another year of service. It will be a busy road ahead with the establishment of RRB offices to expand our reach and serve more clients. Aside from offering loans, we are also planning to educate our clients to develop the habit of saving.

In 2014, we will develop our own pool of compliance officers and other support services that will help us reinforce our processes. Structurally, we will also appoint regional directors for better oversight functions due to our growing network.

Our endeavors come with many challenges. But with the support of our employees, partners, and clients, RRB will be one of the best rural banks in the country helping people to realize their dreams and build a better future for them and their families.





The reliable spirit
CARD Leasing and Finance Corporation



Julius Adrian A. Alip
President/CEO

CARD Leasing and Finance is the 11th addition to the CARD MRI family. A spin-off from the CARD-Business Development Service Foundation Inc. (CARD-BDSFI) special projects, CARD LFC was formally registered with the Securities and Exchange Commission on January 10, 2013, to provide a professionalized printing, office supplies sourcing, rental and leasing services primarily to its sister companies in the CARD MRI. By providing professionalized services, the CARD MRI is able to benefit from CARD LFC's better services and better pricing.

CARD LFC, though, believe that these services should be extended beyond the CARD MRI to reach higher volume and scale that can be translated to lower cost of delivery and better services for the clients. On the other hand, its clients are able to broaden their choices, meet their personal needs and upgrade their business requirements at a very affordable rate.

In 2013, CARD LFC provided finance lease to CARD MRI staff and selected CARD clients who cannot be served by formal banks and the results were impressive. In the next years to come, CARD LFC will expand its Finance Lease services to other microfinance institutions, social enterprises, cooperatives and micro small and medium enterprises (MSMEs). In collaboration with CARD-BDSFI, partners and other stakeholders, CARD LFC will continue its mission of supporting rural electrification and energy efficiency projects.





The supportive spirit Support Services



Deverna DT. Briones
Senior Director

Intensifying performance and participation

The Support Services of CARD MRI is a driven and dynamic team harboring a distinctive culture and an environment where dedicated staff choose to pursue their highest aspirations for the stakeholders. Our devotion to rigorous inquiry and an intense and open exchange of ideas resulted to our accomplishments this year.

The Support Services intensified performance and participation among CARD MRI by looking at individual mandates, harnessing internal control, and working closely with the other institutions. These activities are reflected in many of our recent endeavors.

Looking at individual mandates

Our Human Resource Department increased its awareness in terms of productivity standard. We have been more conscious in the delivery of our contribution to CARD MRI. This year, we upgraded the system and policies and fostered a culture of professionalism among the employees. We envision a CARD MRI wherein individuals maturely handle their responsibilities.

The Support Services share the responsibility in intensifying everyone's performance and participation. We also do our best to address everyone's concerns and respond to their requests quickly and effectively.

Aside from these, HRD has a clearer target for recruitment. This year, areas that need the department's assistance are defined and prioritized. We have come up with more rationalized activities for the areas that are "blind side" to the operations.

Harnessing internal control

More assistance is given by the Support Services to the internal control at the operations level. We are doing this through improved policies and disciplinary committee. We also support

middle managers in the implementation and improvement of processes in other related functions.

Our group also focused on the more complex legal issues that can cause problems in the operations. We take the nitty-gritty off the hands of the field staff so that they can concentrate on their primary functions.

Working closely with the institutions

With the help of Research Unit, we can see the organizational climate of CARD MRI. Along with this, we can respond to their concerns and improve our policies and services. By working closely with the institutions, we become more aware of their needs. This allows us to help them even further.



One concrete example is our Organization and Administration (O and A) Unit. We listened to the voices from our operations and responded accordingly. We improved our processes to deliver the equipment and supplies requested to us from the different departments, branches and unit offices nationwide. We believe that our response time in delivering our services is crucial to the efficiency of the whole CARD MRI's work flow.

The O and A Unit also serves as the steward of the resources of CARD MRI. We ensure that all our buildings are built and set-up on time to provide immediate service to CARD MRI clients. We also ensure that all equipment and vehicles are maintained in shape and working well.

This year, we faced great challenges in improving our capacity. There is more to be done but we are continuously seeking ways to provide cost-effective support services for CARD MRI.



The selfless spirit
Community Development Group



Marilyn M. Manila
Director

Our country is in the midst of profound social and economic change driven by the emerging demands of a dynamic world. CARD MRI established institutions and developed programs that answer the ever changing needs of the members and their families. In the midst of its continuous innovation and growth, CARD MRI examined its core and answered a very important question: “Are we working towards the fulfillment of our purpose?”

With a sincere intent and a receptive attitude, CARD MRI anchored its programs and services to the values that depict its existence. A Community Development Team was created to facilitate services that represent CARD MRI’s foundation. Its defining program, the Development Services for the Hardcore Poor (DSHP), embodies the essence of CARD MRI. Through this program, poor women who live in most rural communities are re-visited and trained on financial literacy. After this, these women are provided access to financial services that will allow them to start livelihood activities.

Alongside DSHP are health, education, ecotourism, financial literacy, and disaster response efforts for our stakeholders. Through the Microfinance and Health Protection Program (MAHP), CARD MRI provides communities an access to health services. Medical practitioners extend their quality yet reasonably-priced services to far-flung areas with economically-challenged families. Complementary to this program, MAHP works hand-in-hand with BotiCARD Inc. to provide members with affordable and quality medicines. A laboratory was also created to encompass other medical services needed by the members and staff. The health programs of CARD MRI were recognized by several microfinance institutions. This year, the “MFIs for Health” was formed to replicate the practices established by CARD MRI. Through this collaboration, Community Health Days were held all over the Philippines, extending free medical and dental services to members, their families, and communities.

Deserving students from indigent communities and poorest families are also given the chance to study through the CARD



Scholarship Program and educational loans. CARD MRI continuously collaborates with colleges and universities that share the same vision of giving equal opportunities to students. Education, just like health, is a key driver that allows positive change to take place. This year, we have awarded a significant number of students with collegiate and high school scholarship.

Adding to the equation towards sustainable development is ecotourism. CARD MRI explored and initiated “Hijos de San Pablo” to honor the city and its children. Participants of this tour are taken to different historical areas, tourist spots, and other key places of interest within the city. They also get to know the children of San Pablo City and their contributions to society, taste famous delicacies, and meet the empowered members of CARD MRI who are thriving because of their livelihood activities.



CARD MRI also keeps in mind the welfare of Overseas Filipino Workers (OFWs) and their families. A Financial Literacy Training for OFWs was developed to prepare their reintegration to the country. Topics during the training

range from budgeting and savings to preparations of a business plan. CARD MRI staff visits the graduates' families in the Philippines to introduce various products and services that they can avail from CARD MRI.

Aside from health, education, and ecotourism, CARD MRI puts premium on disaster response efforts. When calamities occur, families face the difficulty of getting back on track. Disaster-stricken families make them prone to the vicious cycle of poverty. Through the disaster response efforts, CARD MRI ensures that the members and their families are able to get back on their feet through the immediate provision of relief goods, stress debriefing, health missions, and immediate claims payment.

The DSHP together with the health, education, ecotourism, financial literacy, and disaster response efforts are more than just endeavors. These programs tell the story of CARD MRI and how it dreams to eradicate poverty. These programs tell the journey of how CARD MRI soared but still remained anchored to its purpose.





**Our
Executive
Committee**



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



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



Elma B. Valenzuela
Executive Director
CARD, Inc.



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



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



Marilyn M. Manila
Director
Community Development Group



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

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

May S. Dawat
General Manager
CARD MBA



Jocelyn D. Dequito
Deputy Executive Director
CARD, Inc.

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

Aristeo A. Dequito
President and CEO
CARD-BDSFI



Edgar V. Cauyan
President
CMIT

Deverna dT. Briones
Senior Director for Support Group
CARD MRI

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

Edzel A. Ramos
Institute Director
CMDI





Our Management Committee

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CMIT

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Marites S. Pedraja

CLFC

Julius Adrian R. Alip

EMPC

Aurea D. Magpantay



Our Board of Directors

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Rosenda P. Aquino

RRB

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Dr. Jaime Aristotle B. Alip
Faustino M. Buenaventura
Pascuala S. Generoso

CARD LFC

Aristeo A. Dequito
Vicente P. Briones Jr.
Julius Adrian R. Alip
May S. Dawat
Atty. Anatalia F. Buenaventura
Jocelyn D. Dequito
Ma. Rodessa R. Burgos





At-a-Glance
As of December 2013



2,286,149
total number
of clients served

2,113,989
number of clients
including savers



1,207,494
number of active
clients with loans



9,253,075
insured individuals

PhP 28,549,544,358.01
amount of loans disbursed



PhP 5,886,149,130.00
amount of savings



6,469
number of staff

99.34%
repayment rate

1,435
number of offices

121.06%
operational self-sufficiency

PhP 8,535,130,598.00
amount of loans outstanding

116.19%
financial self-sufficiency



Our areas of coverage

Agusan del Norte	Daraga	Capiz	Tibungco	San Pedro	Baco	Sto. Tomas	Balangkayan
Butuan	Goa	Roxas	Toril	Siniloan	Bansud	Pangasinan	Basey
Cabadbaran	Iriga	Cavite	Davao del Norte	Sta. Cruz	Barcenaga	Agno	Borongan
Gingoog	Jose Panganiban	Alfonso	Asuncion	Sta. Rosa	Bongabong	Alaminos	Calbayog
Nasipit	Labo	Bacoor	Maco/Mabini	Victoria	Calapan	Alcala	Calbiga
Agusan del Sur	Legazpi	Calatagan	Nabunturan	La Union	Calintaan	Anda	Can-Avid/Dolores-
Barobo	Libmanan	Cavite City	Panabo	Agoo	Comunal	Asingan	Catarman
Bayugan	Ligao	Dasmariñas	Tagum	Aringay	Gloria	Bani	Catbagan
Prosperidad	Minalabac	GMA	Davao del Sur	Bacnotan	Magsaysay	Bayambang	Gandara
San Francisco	Naga	Imus	Digos	Bauang	Mamburao	Binalonan	Gen. Mac Arthur
Antique	Nabua	Indang	Hagonoy	San Fernando	Mansalay	Binmaley	Guiuan
Barbaza	Oas	Kawit	Malalag	Lanao del Norte	Naujan	Bolinao	Paranas
Bugason	Ocampo	Lian	Malita	Iligan	Pinamalayan	Bugallon	San Jose
Caticlan	Pasacao	Naic	Padada	Initao	Pola	Calasiao	San Roque
Culasi	Pili	Noveleta	Sta. Maria	Laguindingan	Puerto Galera	Dagupan	Sta. Margarita
Hamtic	Polangui	Rosario	Davao Oriental	Manticao	Rizal	Laoac	Taft
Laua-an	San Fernando	Tagaytay	Gov. Generoso	Tubod	Roxas	Lingayen	Socargen
Malay	Sta. Elena	Tanza	Lupón	Leyte	Sablayan	Malasiqui	Alabel
Nabas	Sipocot	Cagayan	Manay	Abuyog	San Jose	Manaoag	Glan
Pandan	Sorsogon	Alcala	Mati	Alang-alang	San Teodoro	Mangaldan	Gen. Santos
Patnongon	Tigaon	Baggao	Pantukan	Albura	Socorro	Mangatarem	Polomolok
San Jose	Tinambac	Gataran	Ilocos Norte	Babatngon	Sta. Cruz Occ.	Pozorrubio	Sultan Kudarat
Sebaste	Bohol	Lal-lo	Bacarra	Bato	Victoria	Rosales	Esperanza
Sibalom	Carmen	Solana	Badoc	Baybay	Misamis Occidental	San Carlos	Isulan
Tobias Fornier	Guindulman	Tuguegarao	Balaogan	Bontoc	Cagayan de Oro	San Fabian	Koronadal
Batangas	Jagna	Cebu	Banna	Carigara	El Salvador	San Jacinto	Surallah
Agoncillo	Loon	Argao	Bantay	Dagami	Puerto Galera	Sison	Tacurong
Balayan	Panglao	Balamban	Batac City	Dulag	Villanueva	Sta. Barbara	Surigao del Norte
Balite	Tagbilaran	Bantayan Island	Cabugao	Hilongos	NCR	Sual	Claver
Batangas City	Talibon	Barili	Candon	Isabel	Commonwealth	Tayug	Kitcharao
Bauan	Tibungco	Bogo	Laoag City	Kananga	Cubao	Urdaneta	Mainit
Calaca	Tubigon	Camotes Island	San Nicolas	Liloan	Del Monte	Villasis	Placer
Cuenca	Ubay	Carcar	Sta. Cruz	Maasin	Las Piñas	Quezon	Surigao
Laurel	Valencia	Carmen	Sta. Maria	Mac Arthur	Makati	Agdangan	Tarlac
Lemery	Bukidnon	Cebu	Solsana	Naval	Alabat	Atimonan	Capas
Lipa	Kibawe	Cordova	Tagudin	Ormoc	Mandaluyong	Buenavista	Camiling
Lobo	Malaybalay	Dalaguete	Vigan City	Palo	Muntinlupa	Calauag	Concepcion
Mabini	Maramag	Danao	Iloilo	Palompon	Novaliches	Candelaria	Gerona
Malvar	Quezon	Dumanjung	Arevalo	Padre Burgos	Paco	Dolores	La Paz
Nasugbu	Valencia	Lapu-lapu	Estancia	San Juan	Parañaque	Gen. Nacar	Mayantoc
Padre Garcia	Bulacan	Liloan	Guimbal	Sogod	Pasay	Gumaca	Moncada
Rosario	Baliwag	Mabolo	Iloilo City	Tacloban City	Pasig	Infanta	Paniqui
San Jose	Bocaue	Mandaue	Jolo	Tanauan	Pateros	Lopez	San Clemente
San Luis	Bustos	Minglanilla	Lapaz	Marinduque	Quirino	Lucena	Sta. Ignacia
San Pascual	Calumpit	Moalboal	Mandurriao	Boac	Sampaloc	Mauban	Tarlac City
Sta. Teresita	Guiguinto	Naga	Miag-ao	Buenavista	San Juan	Mulanay	Victoria
Sto. Tomas	Hagonoy	Sn. Remigio	Molo	Gasan	Sta. Ana	Pagbilao	Zamboanga del Norte
Taal	Malolos	Sogod	Passi	Mogpog	Sta. Cruz	Ragay	Dapitan
Talisay	Marilao	Talamban	San Joaquin	Sta. Cruz	Torrijos	Real	Dipolog
Tanauan	Meycauayan	Talisay	Laguna	Masbate	Aroroy	Tandang Sora	Manukan
Benguet	Norzaragay	Toledo	Alaminos	Baleno	Balud	North Cotabato	Piñan
Buyagan	Plaridel	Tuburan	Bay	Batuan	Cataingan	Bansalan	Polanco
Baguio	San Ildefonso	Compostela Valley	Biñan	Cawayan	Kidapawan	Kabacan	Rizal
Itogon	San Jose del Monte	Compostela	Cabuyao	Dimasalang	M'lang	Batung	San Francisco
Kapangan	San Miguel	Maragusan	Calamba	Masbate City	Tulangan	San Nanciso	San Juan
Kenyon	Sta. Maria	Monkayo	Calauan	Milagros	Pampanga	Sariaya	Tagkawayan
Kitma	Camarines Sur	Nabunturan	Cavinti	Esperanza	Angeles	Tiaong	Unisan
La Trinidad	Calabanga	Trento	Famy	Mandaon	Apalit	Quezon	Rizal
Pacdal	Lupi	Davao	Liliw	Palanas	Arayat	Angono	Binangonan
Sablan	Sipocot	Agdao	Los Baños	Placer	Florida	Pililila	Morong
Upper Gen. Luna	Camanava Area	Almendras	Lumban	Pio V. Corpuz	Guagua	Tanay	Taytay
Bicol Region	Antipolo	Bajada	Mabitac	San Fernando	Mabalacat	Samar	Allen
Bacacay	Cainta	Bangkerohan	Magdalena	San Jacinto	Magalang	Balanggiga	
Bato	Caloocan	Boulevard	Majayjay	Uson	Mexico		
Buhi	Malabon	Bucana	Nagcarlan	Mindoro	San Ramon		
Bula	Montalban	Buhangin	Paete	Abra de Ilog	Sta. Rita		
Calabanga	Navotas	Calinan	Pagsanjan				
Camalig	San Mateo	Magallanes	Pila				
Daet North	Taytay	Matina	Rizal				
Daet South	Valenzuela	Samal	San Pablo				



Organizations, institutions, and individuals we work with

Ace Consulting and General Services, Philippines
ADECS International Corporation, Philippines
Agricultural Guarantee Fund Pool, Philippines
Alalay Sa Kaunlaran, Inc. (ASKI), Philippines
Aldiz Incorporated, Philippines
Allied Banking Corporation, Philippines
ASA, Bangladesh
ASA Philippines Foundation, Inc., Philippines
Asian Actuary, Philippines
Asia Pacific Rural and Agricultural Credit Association (APRACA), Thailand
Asian Community Trust, Japan
AusAID, Philippines
Ayala Foundation, Philippines
Bancnet, Philippines
Banco de Oro (BDO), Philippines
Banco De Oro Unibank, Philippines
Banco De Oro Private, Philippines
Banco De Oro Leasing and Finance, Philippines
Bank of the Philippine Islands (BPI), Philippines
Bank of the Philippine Islands and Mitsui Sumitomo Insurance (BPI/MS), Philippines
Bankers' Association of the Philippines (BAIPHIL), Philippines
Bangko Sentral ng Pilipinas (BSP), Philippines
BellaVita Land Corporation, Philippines
Blue Cross Insurance Inc., Philippines
BPI Globe Banko, Philippines
Brokenshire College, Philippines
Bukidnon Integrated Network of Home Industries, Inc. (BINHI), Philippines
CASHPOR, Malaysia
Canadian Cooperative Association (CCA), Canada
Canadian International Development Agency (CIDA), Philippines
Catholic Relief Services (CRS), Philippines
Cambodian Health Committee (CHC), Cambodia
Caunayan Multipurpose Cooperative, Philippines
Center for Community Transformation (CCT), Philippines
Century Office Equipment Trading, Philippines
Chevrolet, Philippines
Chiaro Printing Press, Philippines
China Bank Savings (CBS), Philippines
Citibank, Philippines
Consultative Group to Assist the Poorest (CGAP), USA
CORDAID, The Netherlands
Daan sa Pag-Unlad, Inc. (DSPI), Philippines
Department of Agrarian Reform, Philippines
Department of Trade and Industry Region IV, Philippines
Deutsche Bank, Germany
Development Academy of the Philippines (DAP), Philippines
Development Bank of the Philippines (DBP), Philippines
Digital Press, Philippines
Mrs. Doris Stivers, USA
Embassy of Japan, Philippines
Ekphattana Microfinance Institution (EMI), Laos
Fervil Printhauss, Philippines
Freedom From Hunger (FFH), USA
Foundation for Sustainable Society, Inc. (FSSI), Philippines
Forbes College, Philippines
Forefront Innovative Technologies, Inc., Philippines
Fundacion CODESPA, Philippines
FVP Framing and General Services, Philippines
German Savings Bank Foundation, Germany
Globe Telecon-GXchange, Inc. (GX1), Philippines
Grameen Bank, Bangladesh
Grameen Foundation USA, USA
Grameen Trust (GT), Bangladesh
Granma, Japan
Grouptech, Philippines
Golden ABC, Philippines
Honda Cars San Pablo, Philippines
ING Bank, Netherlands
Insurance Commission, Philippines
International Finance Corporation (IFC)
Hongkong Shanghai Banking Corporation (HSBC) Ltd., Philippines

Imai Memorial Charitable Trust, Japan
Janet McKinley and George Miller, USA
Joe Higdon and Ellen Suddow, USA
Jollibee Group Foundation, Philippines
Jovellanos Printing Press, Philippines
Jump Solutions, Inc., Philippines
Kabalikat Para Sa Maunlad na Buhay, Inc. (KMBI), Philippines
KFI Center for Community Development Foundation Inc. (KCCDFI), Philippines
Land Bank of the Philippines, Philippines
Lens and Threads, Philippines
LifeBank Foundation, Inc., Philippines
Lorelits Printshop, Philippines
Los Arcos Multi-purpose Cooperative, Philippines
Los Baños Employees Multi-purpose Cooperative, Philippines
Mama Sita, Philippines
Ms. Martj Buning, The Netherlands
Malaya Development Cooperative, Philippines
Maybank Philippines, Inc. (Maybank), Philippines
Measure for Economic and Accelerated Development for All (MEADA), Cambodia
Metrobank, Philippines
Metropolitan Bank and Trust Company (MBTC), Philippines
Microfinance Center (MFC), Laos
Microfinance Council of the Philippines, Philippines
Micropadala, Philippines
Microphase Corporation, Philippines
Microtech Systems Services & Equipment Corporation, Philippines
Microventures Inc. (MVI), Philippines
Microventures Foundation, Philippines
Misereor, Germany
Naguilian Christian Multi-purpose Cooperative, Philippines
National Livelihood Support Fund (NLSF), Philippines
NCCC Palawan and Davao, Philippines
Netherlands Embassy, Philippines
New Zealand Embassy, Philippines
Nice Heart Foundation, Japan
Nissan-Roren Foundation, Japan
OIKOCREDIT, The Netherlands and Philippines
OXFAM AMERICA, USA
Pag-Inupdanay Inc., Philippines
Peace and Equity Foundation (PEF), Philippines
People's Credit and Finance Corporation (PCFC), Philippines
Pharos Off Grid, Philippines
PhilHealth, Philippines
Philippine-Australian Community Assistance Program (PACAP), Philippines
Philippine Bank of Communications (PB Com), Philippines
Philippine Crop Insurance Corporation (PCIC), Philippines
Philippine Geothermal Production Company, Inc., Philippines
Philippine National Bank (PNB), Philippines
Philippine National Reinsurance (PhilNARE), Philippines
Philippine Postal Savings Bank, Philippines
Pinoy Me, Philippines
Plan International, Philippines
Planters Development Bank (PDB), Philippines
Pilipinas Shell Foundation, Inc., Philippines
PinoyME Foundation, Philippines
Pioneer Intercontinental Insurance Inc., Philippines
Pioneer Insurance and Surety Corporation, Philippines
Pioneer Life Inc., Philippines
Pioneer Life Holdings, Inc., Philippines
PS Bank, Philippines
PT Tripura Persada Rahmat (TPR), Indonesia
Puregold - San Pablo City, Philippines
Quidan-Kaisahan Pag-Inupdanay, Inc., Philippines

Risho Kosei-Kai Foundation (RKK), Japan
RKK Fund for Peace, Japan
Rural Bank of Talisayan-Mutual Benefit Association (RBT-MBA) and Fonos Multi-Purpose Cooperative (MFI), Inc., Philippines
RIMANSI Organization of Asia and the Pacific, Philippines
Rizal Commercial Banking Corporation (RCBC), Philippines
Rocking Moon Foundation, USA
Rohaca Typograph Printshop, Philippines
Rural Bank of Lobo, Inc., Philippines
Rural Bank of Talisay, Inc., Philippines
Rural Bankers Association of the Philippines, Philippines
Saint Francis of Assisi College, Philippines
San Julian Multi-purpose Cooperative, Philippines
San Roque Multi-purpose Cooperative, Philippines
Savings Bank Foundation for International Cooperation (SBFIC), Germany
Sparkasse Bank Corporation (SBC), Philippines
Seilanithih Ltd., Cambodia
SFM Sales Corporation, Philippines
SGV & Co., Philippines
Sipsipin Multi-Purpose Cooperative, Philippines
Small Business Corporation (SB Corp.), Philippines
Social Security System, Philippines
Splash Corporation, Philippines
Southeast Asian Interdisciplinary Development Institute (SAIDI), Philippines
Southern New Hampshire University (SNHU), USA
Sparkasse Essen, Germany
Sparkassen International Development Trust (SIDT) GmbH, Germany
Sparkasse Rothenburg, Germany
St. Luke's Methodist Church, USA
Sunlife Bookstores, Philippines
Sunlife of Canada (Philippines) Inc., Philippines
Taytay Sa Kauswagan, Inc. (TSKI), Philippines
Technical Education and Skills Development Authority (TESDA), Philippines
The Asia Foundation/Give2Asia, USA and Philippines
The International Alliance for Women (TIAW), USA
Tinabangay sa Igsoong Mag-uuma Gasa ni San Isidro Multi-purpose Cooperative, Philippines
Tinh Thuong One Member Limited Liability Microfinance Institution (TYM), Vietnam
Toyota San Pablo, Philippines
Triple A Security Agency Incorporation, Philippines
Triplex Enterprises Incorporated, Philippines
Trojan Envelope Manufacturing, Philippines
Tulay Sa Pag-Unlad, Inc. (TSPI), Philippines
Tulangan sa Tubigan Foundation (TSTF), Philippines
UCPB General Insurance Inc., Philippines
United Coconut Planters Bank (UCPB), Philippines
United Coconut Planters Life Assurance Corporation, Philippines
United Nations Capital Development Fund (UNCDF), USA
United Nations Development Program (UNDP), Philippines
Union Bank of the Philippines, Philippines
Union Life Insurance, Co., Ltd., Thailand
USWAG Development Foundation, Philippines
Vietnam Women's Union, Vietnam
XpressMoney, Abu Dhabi
Xainiyom Microfinance Institution (XMI), Laos
Zuellig Family Foundation, Philippines
2HD Computer Ventures, Philippines



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		2012	January 1 2012
	2013	2013		
ASSETS				
Cash and Cash Equivalents	₱692,036,430	₱681,435,811	₱324,375,234	₱573,571,558
Short-term Investment	125,000,000	125,000,000	84,500,000	—
Receivables				
Receivables from members	3,590,987,888	3,590,987,888	3,291,481,700	3,277,070,303
Finance and lease receivables	33,625,492	—	—	—
Due from affiliates	61,819,413	61,820,033	41,596,117	39,227,394
Other receivables	90,687,944	90,605,842	87,487,267	130,963,789
Available-for-Sale Investments	14,504,050	14,504,050	15,698,840	9,097,900
Investments in Subsidiary and Associates	451,603,402	476,679,112	406,013,051	366,631,413
Property and Equipment	110,752,019	109,942,893	135,919,633	126,423,246
Investment Properties	34,339,257	27,194,225	35,039,650	35,481,118
Other Assets	51,389,149	259,048	57,120,201	46,984,445
	₱5,256,745,044	₱5,229,428,902	₱4,479,231,693	₱4,605,451,166
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Due to Members	₱1,703,095,830	₱1,703,095,830	₱1,506,391,019	₱1,501,407,757
Borrowings	1,373,878,336	1,373,878,336	1,200,676,258	1,541,865,839
Retirement Liability	437,461,703	436,854,674	415,307,721	290,372,480
Accounts Payable and Other				
Liabilities	344,268,791	336,026,891	345,825,381	398,910,653
Total Liabilities	3,858,704,660	3,849,855,731	3,468,200,379	3,732,556,729
FUND BALANCE ATTRIBUTABLE TO PARENT COMPANY				
Fund Balance				
General fund	1,655,827,106	1,653,910,796	1,343,206,208	1,144,311,702
Restricted fund	70,403,263	70,403,263	65,100,000	59,900,000
Reserves				
Remeasurement loss on retirement plan	(273,955,947)	(273,955,947)	(322,612,650)	(283,367,127)
Equity in remeasurement loss				
Retirement Plan of Associates	(70,784,941)	(70,784,941)	(74,971,721)	(48,259,615)
Equity in Net Unrealized Gain on AFS of Associates	—	—	309,477	309,477
	1,381,489,481	1,379,573,171	1,011,031,314	872,894,437
NON-CONTROLLING INTEREST	16,550,903	—	—	—
Total Fund Balance	1,398,040,384	1,379,573,171	1,011,031,314	872,894,437
	₱5,256,745,044	₱5,229,428,902	₱4,479,231,693	₱4,605,451,166

**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	
	2013	2013	2012
REVENUE AND OTHER INCOME			
Administrative fee	₱1,810,039,581	₱1,810,039,581	₱1,664,064,038
Grants	27,998,227	27,998,227	14,915,857
Others	29,960,465	23,517,413	33,663,853
	1,867,998,273	1,861,555,221	1,712,643,748
COSTS AND EXPENSES			
Project related expenses	1,509,071,780	1,509,071,780	1,508,081,610
Grants and donations	46,804,035	46,799,035	27,571,400
Health program	5,354,563	5,354,563	2,402,273
Research	4,841,714	4,841,714	4,039,379
Scholarship program	2,069,383	2,069,383	918,340
Others	80,162,641	76,857,390	39,792,277
	1,648,304,116	1,644,993,865	1,582,805,279
EXCESS OF REVENUE OVER EXPENSES BEFORE SHARE IN NET INCOME OF ASSOCIATES	219,694,157	216,561,356	129,838,469
SHARE IN NET INCOME OF ASSOCIATES	99,446,495	99,446,495	74,256,037
EXCESS OF REVENUE OVER EXPENSES BEFORE INCOME TAX PROVISION FOR INCOME TAX	319,140,652	316,007,851	204,094,506
	86,204	—	—
EXCESS OF REVENUE OVER EXPENSES	₱319,054,448	₱316,007,851	₱204,094,506
ATTRIBUTABLE TO:			
Parent Company	₱317,924,161		
Non-controlling interest	1,130,287		
	₱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	
	2013	2013	2012
EXCESS OF REVENUE OVER EXPENSES	₱319,054,448	₱316,007,851	₱204,094,506
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Realized gain on available-for-sale investments from associates	(309,477)	(309,477)	—
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Change in remeasurement loss of retirement plan	48,656,703	48,656,703	(39,245,523)
Change in equity in remeasurement loss of retirement plan of associates	4,186,780	4,186,780	(26,712,106)
	52,534,006	52,534,006	(65,957,629)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	₱371,588,454	₱368,541,857	₱138,136,877
Attributable to:			
Parent Company	₱370,458,167		
Non-controlling interest	1,130,287		
	₱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									
	Reserves									
	Fund Balance (Note 31)									
				Equity in						
				Remeasurement	Gain (Loss) on	Equity in Net				
				Gain (Loss) on	Retirement	Unrealized				
				Plan of	Gain (Loss) on	Gain (Loss) on				
				Associates	AFS	AFS				
							Unrealized			
							Gain (Loss) on	Non-controlling		
							AFS	interest		Total
	General Fund	Restricted Fund								
Balance at January 1, 2013, as previously reported	₱1,338,028,968	₱65,100,000	₱-	₱-	₱309,477	(₱191,774)	₱-	₱-	₱-	₱1,403,246,671
Effect of retroactive application of PAS 19										
Prior period adjustments										
Recognition of Non-controlling interest at acquisition date										
Acquisition of treasury stock										
Appropriation during the year										
Total comprehensive income for the year										
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 Attributable to the Parent Company						
Fund Balance		Reserves						
		Equity in Net						
		Remeasurement Gain (Loss) on Retirement Plan of Associates		Remeasurement Gain (Loss) on Retirement Plan of Associates		Unrealized Gain (Loss) on AFS		Total
General Fund	Restricted Fund	Retirement Plan	Associates	Retirement Plan	Associates	Unrealized Gain (Loss) on AFS	Associates	
Balance at January 1, 2012, as previously reported	₱1,153,045,276	₱59,900,000	₱-	₱-	₱309,477	(₱191,774)	₱1,213,062,979	
Effect of retroactive application of PAS 19	(8,733,574)	-	(283,367,127)	(48,259,615)	-	191,774	(340,360,316)	
Prior period adjustments	-	-	-	-	-	-	191,774	
Balance at January 1, 2012, as restated	1,144,311,702	59,900,000	(283,367,127)	(48,259,615)	309,477	-	872,894,437	
Appropriation during the year	(5,200,000)	5,200,000	-	-	-	-	-	
Total comprehensive income for the year	204,094,506	-	(39,245,523)	(26,712,106)	-	-	138,136,877	
Balance at December 31, 2012	₱1,343,206,208	₱65,100,000	(₱322,612,650)	(₱74,971,721)	₱309,477	₱-	₱1,011,031,314	
Balance at January 1, 2012, as previously reported	₱1,153,045,276	₱59,900,000	₱-	₱-	₱309,477	(₱191,774)	₱1,213,062,979	
Effect of retroactive application of PAS 19	(8,733,574)	-	(283,367,127)	(48,259,615)	-	191,774	(340,360,316)	
Prior period adjustments	-	-	-	-	-	-	191,774	
Balance at January 1, 2012, as restated	1,144,311,702	59,900,000	(283,367,127)	(48,259,615)	309,477	-	872,894,437	
Appropriation during the year	(5,200,000)	5,200,000	-	-	-	-	-	
Total comprehensive income for the year	204,094,506	-	(39,245,523)	(26,712,106)	-	-	138,136,877	
Balance at December 31, 2012	₱1,343,206,208	₱65,100,000	(₱322,612,650)	(₱74,971,721)	₱309,477	₱-	₱1,011,031,314	

**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	2012
	2013	2013	(As restated -)
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenue over expenses	₱319,054,448	₱316,007,851	₱204,094,506
Adjustments for:			
Pension expense	130,810,685	130,203,656	115,514,471
Interest expense	79,650,910	79,650,910	111,811,450
Equity in net earnings of associates	(99,446,495)	(99,446,495)	(74,256,037)
Depreciation and amortization	38,876,536	38,646,450	44,207,057
Provision for credit and impairment losses	31,058,010	30,542,024	38,340,290
Interest income	(9,772,018)	(9,772,018)	(15,265,309)
Amortization of debt issue costs	2,925,085	2,925,085	2,597,241
Loss on the excess of carrying amount and fair value of the previously held equity	1,049,861	1,049,861	—
Foreign exchange gain (loss)	(864,810)	(864,810)	—
Gain on disposal of property and equipment	(439,480)	(439,480)	(441,648)
Dividend income	(205,416)	(205,416)	(3,153,469)
Gain on disposal of available for sale equity instrument	(184,720)	(184,720)	—
Reversal of impairment loss – impairment loss	—	—	(14,771,787)
Changes in operating assets and liabilities:			
Decrease (increase) in amounts of:			
Receivables	(346,945,009)	(345,046,830)	(6,012,754)
Other assets	(28,954,060)	(28,823,959)	(72,597,792)
Increase (decrease) in amounts of:			
Accounts payable and accrued expenses	(2,891,279)	(11,133,179)	(47,475,583)
Due to members	196,704,811	196,704,811	129,918,503
Net cash flows generated from operations	310,427,059	299,813,741	412,509,139
Interest paid	(80,607,221)	(80,607,221)	(117,421,139)
Contributions to the retirement plan	(60,000,000)	(60,000,000)	(29,824,753)
Interest received	9,788,670	9,788,670	17,696,652
Net cash flows provided by operating activities	179,608,508	168,995,190	282,959,899

(Forward)

	Consolidated	Parent Company	
	Years Ended December 31		
	2013	2013	2012
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal or maturity of:			
Property and equipment	₱838,372	₱838,372	₱3,863,943
Available for sale investments	2,244,320	2,244,320	—
Investment in associates	30,793,042	30,793,042	—
Acquisitions of:			
Investment in associates	(21,640,537)	(21,640,537)	(66,193,000)
Property and equipment	(10,490,822)	(10,478,122)	(51,887,062)
Available-for-sale investments	—	—	(6,600,940)
Investment properties	—	—	(74,620)
Placement of short-term investment	(40,500,000)	(40,500,000)	(84,500,000)
Dividends received	36,531,320	36,531,320	40,507,278
Prepaid subscription of equity shares	20,000,000	20,000,000	(12,735,000)
Other investment	—	—	(10,750,000)
Net cash flows provided by (used in) investing activities	17,775,695	17,788,395	(188,369,401)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	902,503,000	902,503,000	375,000,000
Settlement of borrowings	(732,226,007)	(732,226,007)	(718,786,822)
Net cash flows provided by (used in) financing activities	170,276,993	170,276,993	(343,786,822)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	367,661,196	357,060,577	(249,196,324)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	324,375,234	324,375,234	573,571,558
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱692,036,430	₱681,435,811	₱324,375,234



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

	December 31	January 1
	2012	2012
	2013	
ASSETS		
Cash and other cash items	₱46,793,184	₱30,509,853
Due from Bangko Sentral ng Pilipinas		₱47,378,785
	73,783,424	56,867,923
Due from other banks	515,817,666	380,291,993
Available-for-sale investments	—	14,790,418
Loans and receivables	3,645,076,091	2,962,496,894
Investment in an associate	12,278,368	—
Held-to-maturity investments	322,318,389	312,950,255
Property and equipment	295,237,778	252,824,028
Deferred tax assets	118,671,804	113,576,997
Intangibles	7,175,850	6,736,874
Other assets	54,466,469	39,824,221
	₱5,091,619,023	₱4,170,869,456
		₱3,479,327,715
LIABILITIES AND EQUITY		
Liabilities		
Deposit liabilities		
Demand	₱103,688,850	₱45,505,758
Savings	3,066,680,759	2,406,349,244
	3,170,369,609	2,451,855,002
Bills payable	423,432,686	535,266,562
Income tax payable	70,704,357	53,613,556
Other liabilities	438,011,388	438,650,127
	4,102,518,040	3,479,385,247
		3,006,323,116
Equity		
Capital stock		
Preferred stock	420,929,800	249,927,200
Common stock	361,443,500	213,061,100
	782,373,300	462,988,300
Deposit for future stock subscription	—	63,117,425
Surplus	398,895,728	353,465,347
Remeasurement loss on retirement liabilities	(189,972,221)	(187,940,155)
Share in associate's other comprehensive loss	(2,195,824)	—
Net unrealized loss on available-for-sale investments	—	(146,708)
	989,100,983	691,484,209
	₱5,091,619,023	₱4,170,869,456
		₱3,479,327,715

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

Years Ended December 31

	2013	
INTEREST INCOME ON		
Loans and receivables	₱1,600,356,558	₱1,357,903,756
Investment securities	16,688,152	20,180,803
Due from BSP and other banks	7,128,815	7,656,991
	1,624,173,525	1,385,741,550
INTEREST EXPENSE ON		
Deposit liabilities	74,277,480	60,084,520
Bills payable	9,188,163	23,822,077
	83,465,643	83,906,597
NET INTEREST INCOME	1,540,707,882	1,301,834,953
Miscellaneous	38,217,320	14,114,894
TOTAL OPERATING INCOME	1,578,925,202	1,315,949,847
OPERATING EXPENSES		
Compensation and benefits	545,279,875	436,822,857
Transportation and travel	93,618,266	93,441,607
Taxes and licenses	92,912,974	78,620,161
Members training and development	58,605,417	38,021,132
Depreciation and amortization	49,228,873	43,080,347
Stationery and office supplies	45,791,048	44,240,657
Occupancy	43,395,072	39,820,530
Provision for credit losses	37,570,646	27,055,888
Security, messengerial and janitorial	33,554,228	28,658,090
Information technology	29,852,595	29,364,700
Employee trainings	21,768,804	13,960,178
Postage, telephone and cable	17,304,856	13,309,572
Power, light and water	17,151,728	14,847,147
Insurance	14,226,177	19,549,398
Professional fees	9,727,855	3,296,673
Seminars and meetings	8,806,206	9,618,437
Repairs and maintenance	8,311,405	11,581,281
Program monitoring and evaluation	4,636,511	6,152,471
Miscellaneous	42,343,171	19,743,937
	1,174,085,707	971,185,063
INCOME BEFORE SHARE IN NET INCOME OF AN ASSOCIATE	404,839,495	344,764,784
SHARE IN NET INCOME OF AN ASSOCIATE	3,724,192	—
INCOME BEFORE TAX	408,563,687	344,764,784
PROVISION FOR INCOME TAX	122,515,826	90,196,473
NET INCOME	₱286,047,861	₱254,568,311

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

	Years Ended December 31	
	2013	2012
NET INCOME	₱286,047,861	₱254,568,311
OTHER COMPREHENSIVE INCOME (LOSS)		
Items that may not be classified to the statement of income:		
Remeasurement loss on retirement liabilities	(2,902,952)	(73,128,272)
Income tax effect	870,886	21,938,482
	(2,032,066)	(51,189,790)
Items that may be reclassified to the statement of income:		
Realized gain on available-for-sale investment	209,583	—
Income tax effect	(62,875)	—
	146,708	—
Share in associate's other comprehensive loss	(2,195,824)	—
	(2,049,116)	(51,189,790)
TOTAL COMPREHENSIVE INCOME	₱281,966,679	₱203,378,521

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

	Preferred Stock	Common Stock	Deposit for Future Stock Subscription	Surplus	Share in Associate's Other Comprehensive Loss	Remeasurement Loss on Retirement Liabilities	Net Unrealized Loss on Available-for-sale Investments	Total
Balance at January 1, 2013, as previously reported	₱249,927,200	₱213,061,100	₱63,117,425	₱349,095,434	₱-	₱-	₱146,708	₱875,054,451
Effect of retrospective application of PAS 19 (Revised)	-	-	-	4,369,913	-	(187,940,155)	-	(183,570,242)
Balance at January 1, 2013, as restated	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	(2,195,824)	(2,032,066)	146,708	281,966,679
Collection of subscription receivable	115,460,700	8,493,075	-	-	-	-	-	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	972,900	22,497,700	-	(127,800,374)	-	-	-	(104,329,774)
Balance at December 31, 2013	₱420,929,800	₱361,443,500	₱-	₱398,895,728	(₱2,195,824)	(₱189,972,221)	₱-	₱989,100,983
Balance at January 1, 2012, as previously stated	₱203,834,300	₱155,178,400	₱-	₱255,217,842	₱-	₱-	(₱146,708)	₱614,083,834
Effect of retrospective application of PAS 19 (Revised)	-	-	-	(4,328,870)	-	(136,750,365)	-	(141,079,235)
Balance at January 1, 2012, as restated	203,834,300	155,178,400	-	250,888,972	-	(136,750,365)	(146,708)	473,004,599
Total comprehensive income	-	-	-	254,568,311	-	(51,189,790)	-	203,378,521
Collection of subscription receivable	565,700	57,882,700	-	-	-	-	-	58,448,400
Deposit for future stock subscriptions	-	-	63,117,425	-	-	-	-	63,117,425
Issuance of shares	45,527,200	-	-	-	-	-	-	45,527,200
Cash dividends	-	-	-	(151,991,936)	-	-	-	(151,991,936)
Balance at December 31, 2012	₱249,927,200	₱213,061,100	₱63,117,425	₱353,465,347	₱-	(₱187,940,155)	(₱146,708)	₱691,484,209

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

STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱408,563,687	₱344,764,784
Adjustments for:		
Depreciation and amortization	49,228,873	43,080,347
Provision for credit losses	37,570,646	27,055,888
Share in the net income of an associate	(3,724,192)	—
Amortization of premium or discount on held-to-maturity securities	3,613,794	1,128,557
Gain on disposal of property and equipment	(964,765)	(798,164)
Unrealized loss on foreign exchange transactions	346,831	75,833
Amortization of premium or discount on bills payable	235,209	—
Operating income before changes in operating assets and liabilities:	494,870,083	415,307,245
Decrease (increase) in the amounts of:		
Loans and receivables	(720,149,843)	(360,841,545)
Other assets	(12,392,248)	(8,122,107)
Increase (decrease) in the amounts of:		
Deposit liabilities	718,421,703	422,499,651
Other liabilities	(7,676,718)	38,393,094
Net cash generated from operations	473,072,977	507,236,338
Income taxes paid	(109,711,820)	(125,909,387)
Net cash provided by operating activities	363,361,157	381,326,951
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment	(89,082,624)	(93,105,245)
Held-to-maturity investments	(40,677,597)	(90,243,218)
Intangibles	(998,976)	—
Advances to an associate	(13,000,000)	(10,750,000)
Proceeds from:		
Maturity of held-to-maturity investments	27,695,669	129,719,654
Disposal of property and equipment	964,766	1,403,597
Redemption of available-for-sale investments	15,000,000	—
Net cash used in investing activities	(100,098,762)	(62,975,212)
CASH FLOWS FROM FINANCING ACTIVITIES		
Availment of bills payable	423,197,477	620,500,000
Settlement of bills payable	(535,266,562)	(663,894,767)
Proceeds from:		
Collection of subscriptions receivable - common stock	8,493,075	57,882,700
Collection of subscriptions receivable - preferred stock	115,460,700	565,700
Issuance - preferred stock	—	45,527,200

(Forward)

	Years Ended December 31	
	2013	2012
Transfers and movements of deposits for future stock subscription	(₱3,800)	₱63,117,425
Dividends paid	(106,164,853)	(150,604,319)
Net cash used in financing activities	(94,283,963)	(26,906,061)
EFFECTS OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS	(253,927)	(75,833)
NET INCREASE IN CASH AND CASH EQUIVALENTS	168,724,505	291,369,845
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	30,509,853	47,378,785
Due from Bangko Sentral ng Pilipinas	56,867,923	21,296,742
Due from other banks	380,291,993	107,624,397
	467,669,769	176,299,924
CASH AND CASH EQUIVALENTS AT END 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

OPERATIONAL CASH FLOWS FROM INTEREST AND DIVIDENDS

	Years Ended December 31	
	2013	2012
Interest received	₱1,651,640,448	₱1,366,348,516
Interest paid	81,423,357	82,458,285
Dividend received	607,826	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	January 1
	2012	2012
	2013	
ASSETS		
Cash and Cash Equivalents		
	₱642,567,435	₱829,704,731
Short-term Investments	72,922,025	86,625,758
Financial Assets		
Held-to-maturity investments		
	3,741,083,915	3,128,634,363
Available-for-sale financial assets		
	514,082,289	472,312,231
Loans and receivables	227,184,389	80,672,118
Financial Assets at fair value through profit or loss	21,040,000	20,260,000
Property and Equipment	139,431,853	68,708,142
Investments in Associates	288,066,224	25,447,653
Other Assets	8,238,374	7,693,108
	₱5,654,616,504	₱4,703,816,523
		₱3,642,367,094
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable and accrued expenses		
	₱70,602,938	₱163,591,076
Insurance contract liabilities	2,751,822,296	2,247,913,405
Retirement savings fund	1,580,623,648	1,236,694,881
Net pension liability	33,621,946	27,990,241
Total Liabilities	4,436,670,828	3,676,189,603
Fund Balance		
Appropriated fund balance	217,349,164	193,909,179
Unappropriated fund balance	989,991,384	835,716,838
Other comprehensive income	10,605,128	(1,999,097)
Total Fund Balance	1,217,945,676	1,027,626,920
	₱5,654,616,504	₱4,703,816,523
		3,642,367,094

**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	
	2013	
REVENUE		
Gross premiums on insurance contracts	₱1,343,002,574	₱1,173,156,469
Interest income	167,003,125	179,933,784
Dividend income	26,351,243	10,097,497
Surrender charge	14,715,550	—
Equity in net earnings of associates	4,409,184	2,027,806
Bad debts recovery	1,136,911	—
Fair value gains from financial assets at fair value through profit or loss	780,000	—
Contribution income – AKAP	374,770	5,542,740
Realized gain on investment in mutual funds	—	30,518,460
Others	798,733	15,182,457
Other revenue	215,569,516	243,302,744
TOTAL REVENUE	1,558,572,090	1,416,459,213
BENEFITS, CLAIMS AND EXPENSES		
Gross change in insurance contract liabilities	503,908,891	487,904,840
Gross insurance contract benefits and claims paid	510,203,495	423,494,487
Insurance benefits claims	1,014,112,386	911,399,327
Direct expenses	818,452	1,552,093
General and administrative expenses	264,266,082	260,416,180
Fair value losses from financial assets at fair value through profit or loss	—	220,000
Expenses	265,084,534	262,188,273
TOTAL BENEFITS, CLAIMS AND EXPENSES	1,279,196,920	1,173,587,600
EXCESS OF REVENUE OVER EXPENSES	279,375,170	242,871,613
PROVISION FOR FINAL TAX	(33,400,624)	(35,986,757)
NET EXCESS OF REVENUE OVER EXPENSES	245,974,546	206,884,857

(Forward)

Years Ended December 31

	2013	
NET EXCESS OF REVENUE OVER EXPENSES	₱245,974,546	₱206,884,856
OTHER COMPREHENSIVE INCOME		
Items that will be reclassified to profit or loss in subsequent periods		
Fair value gains on available-for-sale financial assets	13,703,658	20,038,961
Transfer to profit or loss	–	(30,518,460)
Items that will not be reclassified to profit or loss in subsequent periods		
Remeasurement loss on defined benefit plan	(1,099,433)	(12,955,886)
TOTAL COMPREHENSIVE INCOME	₱258,578,771	₱183,449,471

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	Total
At January 1, 2013					
As previously reported	₱193,909,179	₱835,139,084	₱26,081,034	₱—	₱1,055,129,297
Effect of adoption of revised PAS 19	—	577,754	—	(28,080,131)	(27,502,377)
At January 1, 2013 as restated	₱193,909,179	₱835,716,838	₱26,081,034	(₱28,080,131)	₱1,027,626,920
Appropriation during the year	91,700,000	(91,700,000)	—	—	—
Reversal 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	₱217,349,164	₱989,991,384	₱39,784,692	(₱29,179,564)	₱1,217,945,676
At January 1, 2012					
As previously reported	₱170,995,819	₱652,109,642	₱36,560,533	₱—	₱858,937,394
Effect of adoption of revised PAS 19	—	(364,300)	—	(15,124,245)	(14,759,945)
At January 1, 2012 as restated	₱170,995,819	₱651,745,342	₱36,560,533	(₱15,124,245)	₱844,177,449
Appropriation during the year	23,500,000	(23,500,000)	—	—	—
Reversal of appropriation	(586,640)	586,640	—	—	—
Excess of revenue over expenses	—	206,884,856	—	—	206,884,856
Other comprehensive income	—	—	(10,479,499)	(12,955,886)	(23,435,385)
Total comprehensive income	—	206,884,856	(10,479,499)	(12,955,886)	183,449,471
Balance at December 31, 2012	₱193,909,179	₱835,716,838	₱26,081,034	(₱28,080,131)	₱1,027,626,920

**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	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses	₱279,375,170	₱242,871,613
Adjustments for:		
Increase in aggregate reserves	503,908,891	487,904,840
Depreciation	5,521,528	6,191,876
Loss on disposal of asset	253,262	—
Realized gain on investments in mutual funds	—	(30,518,460)
Fair value loss (gains) from financial assets at fair value through profit or loss	(780,000)	220,000
Provision (reversal of provision) for bad debts	(1,136,911)	1,560,570
Equity in net earnings of an associate	(4,409,185)	(2,027,806)
Amortization	(5,634,562)	(41,173,767)
Interest income	(167,003,125)	(179,933,784)
Cash generated from operations before changes in working capital	610,095,068	485,095,082
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Loans and receivables	(146,318,492)	13,202,800
Other assets	(545,266)	(1,994,786)
Increase (decrease) in:		
Retirement savings fund	343,928,767	272,944,890
Net pension liability	4,532,272	857,655
Accounts payable and accrued expenses	(92,988,139)	103,336,689
Utilization of appropriation	(68,260,015)	—
Net cash flows provided by operating activities	650,444,195	873,442,330
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	167,946,256	191,154,264
Cash dividends received	3,274,510	—
Acquisitions of:		
Held-to-maturity investments	(832,256,047)	(662,757,592)
Investments in associates	(261,483,896)	—
Property and equipment	(76,498,499)	(44,707,265)
Available-for-sale financial assets	(35,566,400)	(171,080,805)
Short-term investments	(2,537,848)	(9,251,552)
Proceeds from sale/maturities of:		
Held-to-maturity investments	225,441,057	388,876,922
Available-for-sale financial assets	7,500,000	49,257,237
Property and equipment	—	563,100
Short-term investments	—	25,493,133
Taxes paid	(33,400,624)	(35,986,757)
Net cash flows used in investing activities	(837,581,491)	(268,439,315)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(187,137,296)	605,003,015
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	829,704,731	224,701,716
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱642,567,435	₱829,704,731

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

	December 31	
	2013	2012
ASSETS		
Current Assets		
Cash in banks	₱36,060,496	₱23,957,686
Current portion of receivables	8,622,345	5,725,989
Other current assets	917,257	481,488
Total Current Assets	45,600,098	30,165,163
Noncurrent Assets		
Noncurrent portion of receivables	—	46,904
Property and equipment	46,210,629	44,427,057
Equity investment at cost	4,373,900	4,373,900
Software license	180,933	—
Total Noncurrent Assets	50,765,462	48,847,861
	₱96,365,560	₱79,013,024
LIABILITIES AND FUND BALANCE		
Current Liability		
Accounts payable and accrued expenses	₱10,257,689	₱4,406,745
Noncurrent Liability		
Net retirement liability	1,601,488	2,403,296
	11,859,177	6,810,041
Fund Balance		
General fund	5,000,000	5,000,000
Accumulated excess of revenue over expenses	79,506,383	67,202,983
	84,506,383	72,202,983
	₱96,365,560	₱79,013,024

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	
	2013	2012
REVENUE		
Seminars and trainings	₱73,768,307	₱37,193,709
Facilities fee	1,392,002	407,291
Donations and contributions	1,002,500	9,018,000
Interest income	648,083	652,112
Other income	1,338,281	1,076,085
	78,149,173	48,347,197
EXPENSES		
Cost of seminars, trainings and other programs	52,430,090	22,756,273
Administrative:		
Compensation and employee benefits	3,778,400	1,568,162
Transportation and travel	1,695,299	939,031
Insurance	1,454,528	569,173
Management and professional fees	1,257,490	1,309,911
Representation	1,162,542	1,023,510
Program monitoring and meetings	989,854	858,705
Depreciation and amortization expense	785,492	1,341,534
Provision for doubtful accounts	507,183	292,685
Taxes and licenses	475,419	204,858
Utilities	316,434	348,800
Janitorial, messengerial, and security	291,044	105,084
Miscellaneous	193,323	138,145
Communication and postage	180,671	141,635
Supplies and materials	167,433	199,978
Repairs and maintenance	127,799	183,079
Information technology	32,772	—
	13,415,683	9,224,290
	65,845,773	31,980,563
EXCESS OF REVENUE OVER EXPENSES	12,303,400	16,366,634
FUND BALANCE AT BEGINNING OF YEAR	72,202,983	55,836,349
FUND BALANCE AT END OF YEAR	₱84,506,383	₱72,202,983

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

	Years Ended December 31	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses	₱12,303,400	₱16,366,634
Adjustments for:		
Depreciation and amortization expense	6,933,802	5,144,894
Retirement expense	3,112,174	782,306
Interest income	(648,083)	(652,112)
Provision for doubtful accounts	507,183	292,685
Unrealized foreign exchange loss (gain) from cash in bank	82,509	(2,431)
Dividend income	(1,293,562)	—
Operating income before working capital changes	20,997,423	21,931,976
Changes in operating assets and liabilities:		
Decrease (increase) in amount of:		
Receivables	(3,351,927)	4,835,204
Other current assets	(435,769)	1,511,538
Increase (decrease) in amount of:		
Accounts payable and accrued expenses	5,850,944	(5,115,086)
Net cash generated from operations	23,060,671	23,163,632
Contributions to retirement fund	(3,913,982)	(5,807,214)
Dividends received	1,293,562	—
Interest received	643,375	640,657
Net cash provided by operating activities	21,083,626	17,997,075
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(8,714,307)	(16,297,136)
Acquisition of software license	(184,000)	—
Payment of subscriptions payable on equity investments at cost	—	(2,373,900)
Net cash used in investing activities	(8,898,307)	(18,671,036)
NET INCREASE (DECREASE) IN CASH IN BANKS	12,185,319	(673,961)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH IN BANK	(82,509)	2,431
CASH IN BANKS AT BEGINNING OF YEAR	23,957,686	24,629,216
CASH IN BANKS AT END OF YEAR	₱36,060,496	₱23,957,686



CARD-BUSINESS DEVELOPMENT SERVICE FOUNDATION, INC.
(A Nonstock, Not-for-Profit Organization)
STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE

	December 31, 2013	December 31, 2012	January 1, 2012
ASSETS			
Current Assets			
Cash	₱15,676,160	₱16,942,108	₱10,786,458
Financial asset at fair value through profit or loss	1,133,787	5,588,768	5,798,605
Current portion of receivables	18,763,499	23,994,494	15,120,611
Other current assets	13,481,520	20,091,976	12,236,405
Total Current Assets	49,054,966	66,617,346	43,942,079
Noncurrent Assets			
Noncurrent portion of receivables	113,537	113,537	109,518
Investment in associates	30,261,983	—	—
Equity investments at cost	9,592,500	9,557,500	9,439,375
Property and equipment	1,053,036	1,725,161	29,555,605
Other noncurrent asset	1,970,413	3,736,913	3,640,000
Total Noncurrent Assets	42,991,469	15,133,111	42,744,498
	₱92,046,435	₱81,750,457	₱86,686,577
LIABILITIES AND FUND BALANCE			
Current Liabilities			
Accounts payable and accrued expenses	₱27,893,696	₱15,414,457	₱17,838,978
Current portion of project assistance payable	29,116,857	2,500,000	1,250,000
Total Current Liabilities	57,010,553	17,914,457	19,088,978
Noncurrent Liabilities			
Project assistance payable	3,750,000	32,866,857	35,366,857
Net retirement liability	6,766,481	8,866,362	5,777,676
Total Noncurrent Liabilities	10,516,481	41,733,219	41,144,533
	67,527,034	59,647,676	60,233,511
Fund Balance	24,519,401	22,102,781	26,453,066
	₱92,046,435	₱81,750,457	₱86,686,577

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

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

	Years Ended December 31	
	2013	2012
REVENUES		
Grants	₱15,000,000	₱10,697,754
Project development	2,500,000	4,392,000
Marketing fees	7,967,995	17,062,532
Share in net income of associate	2,261,983	—
Administrative fees	1,365,930	1,394,968
Others	3,263,203	2,317,282
	32,359,111	35,864,536
EXPENSES		
Project related expenses	18,538,290	28,896,392
Administrative expenses:		
Mark to market loss on FVPL investment	4,454,981	209,837
Compensation and employee benefits	2,745,947	4,109,466
Transportation and travel	692,978	1,298,435
Supplies and materials	526,862	835,135
Program monitoring and evaluation	478,684	578,094
Training and development	378,156	860,706
Rental	341,361	359,691
Interest	262,155	457,271
Repairs and maintenance	259,886	165,300
Seminars and meetings	227,364	344,234
Management and professional fees	191,941	122,178
Depreciation	169,357	1,163,438
Utilities	135,025	115,551
Insurance	95,529	203,795
Janitorial, messengerial and security	89,798	52,407
Communication	88,287	77,513
Information technology	17,380	236,921
Miscellaneous	248,510	128,457
	11,404,201	11,318,429
	29,942,491	40,214,821
EXCESS OF REVENUE OVER EXPENSES	2,416,620	(4,350,285)
FUND BALANCE AT BEGINNING OF YEAR	22,102,781	26,453,066
FUND BALANCE AT END OF YEAR	₱24,519,401	₱22,102,781

CARD-BUSINESS DEVELOPMENT SERVICE FOUNDATION, INC.**(A Nonstock, Not-for-Profit Organization)****STATEMENTS OF CASH FLOWS**

	Years Ended December 31	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses	₱2,416,620	(₱4,350,285)
Adjustments for:		
Mark-to-market loss on FVPL investment	4,454,981	209,837
Share in net income of associate	(2,261,983)	—
Interest expense	1,310,777	1,829,085
Depreciation	607,005	3,899,368
Provision for impairment and credit losses	438,786	769,101
Interest income on deposits	(426,387)	(507,437)
Operating income before working capital changes	6,539,799	1,849,669
Changes in operating assets and liabilities:		
Decrease (increase) in amount of:		
Receivables	6,560,730	(9,647,003)
Other current assets	(350,544)	(355,571)
Increase (decrease) in amount of:		
Accounts payable and accrued expenses	(1,520,761)	(2,024,521)
Retirement liability	(2,099,881)	3,088,686
Net cash flows generated (used in) from operations	9,129,343	(7,088,740)
Interest received	424,866	507,437
Net cash flows from (used in) operating activities	9,554,209	(6,581,303)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Investment in associate	(7,000,000)	—
Property and equipment	(370,363)	(5,495,641)
Equity investments at cost	(127,000)	(518,125)
Other noncurrent assets	(73,500)	(96,913)
Disposals of:		
Property and equipment	435,483	29,426,717
Equity investments at cost	92,000	—
Other noncurrent assets	73,000	—
Prepaid subscription	(39,000)	(7,500,000)
Net cash flows from (used in) investing activities	(7,009,380)	15,816,038
CASH FLOWS FROM FINANCING ACTIVITY		
Interest paid	(1,310,777)	(1,829,085)
Project assistance paid	(2,500,000)	(1,250,000)
Net cash flows used in financing activities	(3,810,777)	(3,079,085)
NET INCREASE (DECREASE) IN CASH	(1,265,948)	6,155,650
CASH AT BEGINNING OF YEAR	16,942,108	10,786,458
CASH AT END OF YEAR	₱15,676,160	₱16,942,108



CARD MRI INSURANCE AGENCY, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31		January 1
		2012	2012
	2013		
ASSETS			
Cash and Cash Equivalents			
	₱4,714,329	₱9,395,195	₱7,528,410
Short-term Investments	3,668,630	3,561,045	541,166
Long-term Investments	3,000,000	3,000,000	—
Receivables	113,085,129	16,819,520	14,932,083
Available-for-sale Financial Assets			
	11,021,246	40,766	40,766
Property and Equipment	1,059,539	1,323,322	462,437
Deferred Tax Assets	1,564,022	1,298,954	877,124
Other Assets	3,679,908	1,746,453	45,764
	₱141,792,803	₱37,185,255	₱24,427,750
LIABILITIES AND EQUITY			
Liabilities			
Trade and other payables	₱123,989,010	₱26,131,264	₱17,936,951
Net pension liability	4,238,733	3,338,075	176,095
Income tax payable	—	—	876,653
	128,227,743	29,469,339	18,989,699
Equity			
Capital stock	9,500,000	2,813,500	1,000,000
Deposits for future stock subscription	1,770,500	—	562,500
Retained earnings			
Appropriated	—	2,450,117	1,205,000
Unappropriated	5,049,464	4,756,659	2,796,885
Remeasurement loss on defined benefit plan	(2,754,904)	(2,304,360)	(126,334)
	13,565,060	7,715,916	5,438,051
	₱141,792,803	₱37,185,255	₱24,427,750

CARD MRI INSURANCE AGENCY, INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2013	2012
REVENUE		
Commission income	₱18,937,663	₱14,671,806
Interest income	503,022	443,596
Reversal of provision for bad debts	73,778	1,672,951
Other income	7,062	4,558
	19,521,525	16,792,911
EXPENSES		
Training and development	5,188,634	4,445,152
Salaries and allowances	3,150,675	1,822,475
Commissions	2,422,531	1,407,784
Transportation and travel	964,785	315,017
Taxes and licenses	713,968	442,478
Program monitoring and evaluation	716,929	422,910
Pension expense	712,699	254,954
Depreciation	438,248	271,528
Supplies	350,065	151,841
Security and janitorial	266,318	91,846
Professional fees	222,267	291,547
Insurance	215,392	222,666
Communication and postage	158,935	118,729
Rent	120,000	120,000
Light and water	106,024	74,098
Repairs and maintenance	75,791	11,377
Provision for impairment losses	72,000	—
Representation and entertainment	30,494	69,678
Other expenses	619,646	549,554
	16,545,401	11,083,634
INCOME BEFORE INCOME TAX	2,976,124	5,709,277
PROVISION FOR INCOME TAX	850,926	1,651,857
NET INCOME	2,125,198	4,057,420
OTHER COMPREHENSIVE INCOME/(LOSS)		
Items that will not to be reclassified to profit or loss in subsequent periods		
Remeasurement loss on defined benefit plan	(643,634)	(3,111,466)
Income tax effect	193,090	933,440
TOTAL COMPREHENSIVE INCOME	₱1,674,654	₱1,879,394

CARD MRI INSURANCE AGENCY, INC.

STATEMENTS OF CHANGES IN EQUITY

	Capital Stock	Appropriated Retained Earnings	Unappropriated Retained Earnings	Remeasurement Loss on Defined Benefit Plan	Deposits for Future Stock Subscription	Total
At January 1, 2013						
As previously reported	₱2,813,500	₱2,450,117	₱5,710,046	₱-	₱-	₱10,973,663
Effect of adoption of revised accounting standard on employee benefits	-	-	(953,387)	(2,304,360)	-	(3,257,747)
As restated	2,813,500	2,450,117	4,756,659	(2,304,360)	-	7,715,916
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	₱9,500,000	₱-	₱5,049,464	(₱2,754,904)	₱1,770,500	₱13,565,060

	Capital Stock	Appropriated Retained Earnings	Unappropriated Retained Earnings	Remeasurement Loss on Defined Benefit Plan	Deposits for Future Stock Subscription	Total
At January 1, 2012						
As previously reported	₱1,000,000	₱1,205,000	₱2,851,028	₱—	₱562,500	₱5,618,528
Effect of adoption of revised accounting standard on employee benefits †	—	—	(54,143)	(126,334)	—	(180,477)
As restated	1,000,000	1,205,000	2,796,885	(126,334)	562,500	5,438,051
Deposits during the year	—	—	—	—	172,000	172,000
Issuance of shares	1,813,500	—	—	—	(734,500)	1,079,000
Dividends	—	—	(842,696)	—	—	(842,696)
Appropriation	—	1,245,117	(1,245,117)	—	—	—
Transaction costs	—	—	(9,833)	—	—	(9,833)
Net income	—	—	4,057,420	—	—	4,057,420
Other comprehensive income	—	—	—	(2,178,026)	—	(2,178,026)
Total comprehensive income	—	—	4,057,420	(2,178,026)	—	1,879,394
At December 31, 2012	₱2,813,500	₱2,450,117	₱4,756,659	(₱2,304,360)	₱—	₱7,715,916

CARD MRI INSURANCE AGENCY, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱2,976,124	₱5,709,277
Adjustments for:		
Depreciation	438,248	271,528
Net reversal of provision for bad debts	(1,778)	(1,672,951)
Interest income	(503,022)	(443,596)
Operating income before working capital changes	2,909,572	3,864,258
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	(96,199,695)	(3,138,537)
Other assets	(1,933,459)	1,943,894
Deferred tax asset	(265,068)	(421,830)
Increase (decrease) in:		
Trade and other payables	97,857,746	8,737,474
Net pension liability	450,114	(3,172,239)
Net cash generated from operations	2,819,210	7,813,020
Income tax paid	(784,713)	(2,016,900)
Net cash provided by operating activities	2,034,497	5,796,120
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	372,677	347,768
Acquisitions of:		
Available-for-sale financial asset	(10,980,480)	–
Property and equipment	(174,465)	(1,132,412)
Short-term investment	(107,585)	–
Long-term investment	–	(3,000,000)
Net cash used in investing activities	(10,889,853)	(3,784,644)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	5,086,000	1,251,000
Deposit for future stock subscription	3,371,000	–
Dividends paid	(4,282,510)	(1,395,692)
Net cash used in financing activities	4,174,490	(144,692)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,680,866)	1,866,784
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	9,395,195	7,528,411
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱4,714,329	₱9,395,195



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

	December 31, 2013	December 31, 2012	January 1, 2012
ASSETS			
Cash and Other Cash Items	₱4,610,455	₱2,903,536	₱16,409,109
Due from Bangko Sentral ng Pilipinas	50,603,710	31,379,001	14,646,774
Due from Other Banks	83,462,403	74,480,762	80,910,070
Available-for-Sale Investments	–	8,000,000	9,435,558
Held-to-Maturity Investments	26,078,103	26,236,233	26,279,591
Loans and Receivables	910,974,414	556,271,170	365,754,041
Property and Equipment	37,667,311	31,705,794	8,136,577
Investment Properties	10,205,436	16,188,218	21,671,491
Assets Held by Special Purpose Vehicle	4,371,336	5,882,554	5,882,554
Deferred Tax Assets - net	25,418,282	24,410,765	8,853,469
Other Assets	10,581,226	7,009,734	4,018,813
TOTAL ASSETS	₱1,163,972,676	₱784,467,767	₱561,998,047
LIABILITIES AND EQUITY			
Liabilities			
Deposit Liabilities			
Demand	₱441,307	₱730,357	₱733,577
Savings	828,013,759	501,698,935	321,157,151
	828,455,066	502,429,292	321,890,728
Bills Payable	–	26,476,877	65,389,307
Income Tax Payable	10,305,392	4,577,903	4,844,812
Retirement Liability	29,089,823	45,991,003	26,361,595
Other Liabilities	28,389,523	16,930,853	16,753,933
	896,239,804	596,405,928	435,240,375
Equity			
Common Stock	251,019,938	215,513,825	161,008,400
Surplus (Deficit)	41,823,625	6,811,910	(20,115,552)
Net Unrealized Gain on Available-for-Sale Investments	–	–	890,650
Remeasurement Loss on Retirement Plan	(25,110,691)	(34,263,896)	(15,025,826)
	267,732,872	188,061,839	126,757,672
TOTAL LIABILITIES AND EQUITY	₱1,163,972,676	₱784,467,767	₱561,998,047

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

	Years Ended December 31	
		2012
	2013	
INTEREST INCOME ON		
Loans and receivables	₱346,292,876	₱220,242,016
Due from BSP and other banks	2,411,461	5,965,055
Investments securities	1,688,598	1,504,322
	350,392,935	227,711,393
INTEREST EXPENSE ON		
Deposit liabilities	18,694,433	16,907,099
Bills payable	39,755	2,745,787
Others	58,880	—
	18,793,068	19,652,886
NET INTEREST INCOME	331,599,867	208,058,507
OTHER INCOME		
Gain on initial recognition of investment properties	1,142,321	1,700,035
Gain (loss) on sale of assets - net	(1,901,246)	121,489
Dividend income	200,000	200,000
Loan fees, service fees and penalties	16,040	41,435
Miscellaneous	1,872,854	1,854,319
TOTAL OPERATING INCOME	332,929,836	211,975,785
OPERATING EXPENSES		
Compensation and fringe benefits	126,380,839	77,714,446
Transportation and travel	20,865,086	13,664,104
Taxes and licenses	20,100,917	13,236,031
Stationery and office supplies	13,051,048	8,720,514
Occupancy	12,843,986	7,638,548
Provision for credit and impairment losses	11,882,068	8,380,619
Meetings and seminars	11,408,788	9,739,107
Employee trainings	10,589,404	8,985,844
Depreciation and amortization	8,438,281	5,642,611
Information technology	5,901,205	6,571,913
Security, messengerial and janitorial	5,432,429	3,963,614
Insurance	4,475,760	3,917,331
Repairs and maintenance	3,671,091	2,282,807
Power, light and water	3,051,621	2,035,325
Representation and entertainment	2,940,466	2,181,218
Postage, telephone and cable	2,040,029	1,530,385
Professional fees	1,673,142	968,740
Fines, penalties & other charges	1,502,438	—
Program monitoring	1,288,229	646,308
Miscellaneous	5,682,512	2,971,278
TOTAL OPERATING EXPENSES	273,219,339	180,790,743
INCOME BEFORE INCOME TAX	59,710,497	31,185,042
PROVISION FOR INCOME TAX	18,643,593	4,257,580
NET INCOME	₱41,066,904	₱26,927,462

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

	Years Ended December 31	
	2013	
NET INCOME	₱41,066,904	₱26,927,462
OTHER COMPREHENSIVE INCOME (LOSS)		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Changes in unrealized loss on available-for-sale investments	—	(890,650)
Other comprehensive gain (loss) not to be classified to profit or loss in subsequent periods:		
Gain (loss) on remeasurement of retirement plan	13,076,008	(27,482,957)
	13,076,008	(28,373,607)
Income tax relating to the components of other comprehensive income	(3,922,803)	8,244,887
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	9,153,205	(20,128,720)
TOTAL COMPREHENSIVE INCOME	₱50,220,109	₱6,798,742

CARD SME BANK, INC., A THRIFT BANK

STATEMENTS OF CHANGES IN EQUITY

	Common Stock	Surplus/ Unrealized Gain (Loss) on Available-for- Sale Investments (Deficit)	Remeasurement Gain (Loss) on Retirement	Total
Balance at January 1, 2013, as previously reported	₱215,513,825	₱5,757,125	₱–	₱221,270,950
Effect of retrospective application of PAS 19 (Revised) -	–	1,054,785	–	(33,209,111)
Balance at January 1, 2013, as Restated	215,513,825	6,811,910	–	188,061,839
Collection of subscriptions Receivable	35,506,113	–	–	35,506,113
Total comprehensive income for the year	–	41,066,904	–	50,220,109
Cash dividends declared and paid	–	(6,055,189)	–	(6,055,189)
Balance at December 31, 2013	₱251,019,938	₱41,823,625	₱–	₱267,732,872
Balance at January 1, 2012, as previously reported	₱161,008,400	(₱19,522,372)	₱890,650	₱142,376,678
Effect of retrospective application of PAS 19 (Revised)	–	(593,180)	–	(15,619,006)
Balance at January 1, 2012, as Restated	161,008,400	(20,115,552)	890,650	126,757,672
Collection of subscriptions Receivable	54,505,425	–	–	54,505,425
Total comprehensive income for the year	–	26,927,462	(890,650)	6,798,742
Balance at December 31, 2012	₱215,513,825	₱6,811,910	₱–	₱188,061,839

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

	Years Ended December 31	
		2012
	2013	
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱59,710,497	₱31,185,042
Adjustments for:		
Retirement expense	17,867,608	8,451,893
Provision for credit and impairment losses	11,882,068	8,380,619
Depreciation and amortization	8,438,281	5,642,611
Loss (gain) on sale of assets	3,092,194	(121,489)
Amortization of premium of held-to-maturity (HTM) investments	158,130	43,358
Fair value gain on initial recognition of investment properties	(1,142,321)	(1,700,035)
Gain on sale of asset held by special purpose vehicle	(1,190,948)	–
Changes in operating assets and liabilities:		
Increase in the amounts of:		
Loans and receivables	(344,132,661)	(198,937,840)
Deposit liabilities	326,025,774	180,538,564
Other assets	(3,571,492)	(2,990,921)
Other liabilities	11,454,605	176,920
Net cash generated from operations	88,591,735	30,668,722
Income taxes paid	(17,846,424)	(11,836,898)
Contributions to the retirement fund	(21,692,780)	(16,305,442)
Net cash provided by operating activities	49,052,531	2,526,382
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment	(14,315,760)	(25,360,233)
Unquoted debt securities	(20,000,000)	–
Proceeds from sale or maturities of:		
Investment properties	2,664,951	4,038,202
Assets held by special purpose vehicle	1,537,500	–
AFS investments	8,000,000	–
Net cash used in investing activities	(22,113,309)	(21,322,031)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid	(6,055,189)	–
Availments of bills payable	–	65,000,000
Settlement of bills payable	(26,476,877)	(103,912,430)
Collections of subscriptions receivable	35,506,113	54,505,425
Net cash provided by financing activities	2,974,047	15,592,995

	Years Ended December 31	
	2012	
	2013	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	₱29,913,269	(₱3,202,654)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	2,903,536	16,409,109
Due from Bangko Sentral ng Pilipinas	31,379,001	14,646,774
Due from other banks	74,480,762	80,910,070
	108,763,299	111,965,953
CASH AND CASH EQUIVALENTS AT END 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
OPERATIONAL CASH FLOWS FROM INTEREST		
Interest received	₱347,558,820	₱228,313,179
Interest paid	18,898,519	18,788,456



CARD MRI INFORMATION TECHNOLOGY, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31, 2013	December 31, 2012	January 1 2012
ASSETS			
Current Assets			
Cash	₱58,591,133	₱56,388,005	₱71,207,521
Accounts receivable	17,286	729,383	464,582
Other current assets	1,932,110	1,176,012	805,378
Total current assets	60,540,529	58,293,400	72,477,481
Noncurrent Assets			
Property and equipment	6,942,395	13,904,066	17,783,697
Software costs	4,202,844	7,384,894	43,709,706
Deferred tax asset	1,694,218	816,688	1,072,961
Available-for-sale investments	370,500	107,000	26,750
Total noncurrent assets	13,209,957	22,212,648	62,593,114
TOTAL ASSETS	₱73,750,486	₱80,506,048	₱135,070,595
LIABILITIES AND EQUITY			
Liabilities			
Current Liabilities			
Trade and other payables	₱13,101,739	₱10,851,098	₱56,234,183
Current portion of loans payable	—	5,000,000	—
Income tax payable	—	—	1,326,663
Total current liabilities	13,101,739	15,851,098	57,560,846
Noncurrent Liabilities			
Noncurrent portion of loans payable	—	5,000,000	30,000,000
Retirement liabilities	3,402,026	2,722,291	3,576,535
Total noncurrent liabilities	3,402,026	7,722,291	33,576,535
	16,503,765	23,573,389	91,137,381
Equity			
Capital stock	47,898,746	39,439,975	5,000,000
Deposit for stock subscription	—	—	24,976,175
Retained earnings	13,234,746	20,218,487	16,416,559
Remeasurement loss on retirement liabilities	(3,886,771)	(2,725,803)	(2,459,520)
	57,246,721	56,932,659	43,933,214
TOTAL LIABILITIES AND EQUITY	₱73,750,486	₱80,506,048	₱135,070,595

CARD MRI INFORMATION TECHNOLOGY, INC.
STATEMENTS OF INCOME

	Years Ended December 31	
		2012
	2013	
INCOME		
Service income	₱55,941,411	₱78,387,147
Interest income	1,191,154	1,950,392
Dividend income	126,894	—
Miscellaneous income	43,923	24,968
	57,303,382	80,362,507
COST OF INFORMATION TECHNOLOGY SERVICES	30,013,719	52,846,365
GENERAL AND ADMINISTRATIVE EXPENSES (Note 14)		
Salaries, wages and other benefits	3,818,732	4,231,852
Information technology expense	3,346,550	1,714,560
Staff training and development	2,888,162	1,237,734
Seminars and meetings	2,356,691	1,774,864
Fuel and lubricants	1,261,792	1,182,994
Depreciation expense	1,222,900	749,682
Postage, telephone, cables and telegrams	946,269	2,992,448
Power, light and water	893,269	859,901
Security, messengerial and janitorial services	620,519	599,016
Stationery and supplies used	611,682	735,917
Insurance expense	499,791	881,258
Rent expense	495,086	573,050
Interest expense	98,333	1,520,000
Service fee expense	65,615	195,607
Taxes and licenses	54,067	48,602
Donations and charitable contributions	500	1,500
Loss on contract termination	—	2,023,585
Others	1,666,346	760,333
	20,846,304	22,082,903
	50,860,023	74,929,268
INCOME BEFORE INCOME TAX	6,443,359	5,433,239
PROVISION FOR INCOME TAX	1,378,749	1,631,311
NET INCOME	₱5,064,610	₱3,801,928

CARD MRI INFORMATION TECHNOLOGY, INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
		2012
	2013	
NET INCOME	₱5,064,610	₱3,801,928
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:		
Remeasurement loss on retirement liabilities	(1,658,526)	(380,405)
Income tax effect	497,558	114,122
TOTAL COMPREHENSIVE INCOME	₱3,903,642	₱3,535,645

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

	Capital Stock	Deposit for Stock Subscription	Retained Earnings	Remeasurement Loss on Retirement Liabilities	Total
Balances at January 1, 2013, as previously reported	₱39,439,975	₱—	₱20,064,468	₱—	₱59,504,443
Effect of retroactive application of PAS 19 (Revised)	—	—	154,019	(2,725,803)	(2,571,784)
Balances at January 1, 2013, as restated	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 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
Balances at January 1, 2012, as previously reported	₱5,000,000	₱24,976,175	₱16,573,420	₱—	₱46,549,595
Effect of retroactive application of PAS 19 (Revised)	—	—	(156,861)	(2,459,520)	(2,616,381)
Balances at January 1, 2012, as restated	5,000,000	24,976,175	16,416,559	(2,459,520)	43,933,214
Issuance of capital stock	34,439,975	(24,976,175)	—	—	9,463,800
Total comprehensive income for the year	—	—	3,801,928	(266,283)	3,535,645
Dividend declared for the year	—	—	—	—	—
Balances at December 31, 2012	₱39,439,975	₱—	₱20,218,487	(₱2,725,803)	₱56,932,659

CARD MRI INFORMATION TECHNOLOGY, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
		2012
	2013	
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱6,443,359	₱5,433,239
Adjustments for:		
Depreciation and amortization	15,077,580	28,871,349
Interest income	(1,191,154)	(1,950,392)
Interest expense	98,333	1,520,000
Loss on contract termination	—	2,023,585
Changes in operating assets and liabilities:		
Decrease (increase) in the amounts of:		
Accounts receivable	713,459	208,983
Other current assets	(2,276,715)	(2,677,017)
Increase (decrease) in the amounts of:		
Trade and other payables	2,250,641	(27,276,641)
Retirement liabilities	(978,791)	(1,234,649)
Net cash generated from operations	20,136,712	4,918,457
Interest received	1,191,154	2,008,425
Final taxes paid	(238,104)	(400,143)
Net cash flows from operating activities	21,089,762	6,526,739
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment	(2,308,505)	(5,550,805)
Software	(2,626,716)	(3,659,000)
Available-for-sale investments	(263,500)	(80,250)
Cash flows used in investing activities	(5,198,721)	(9,290,055)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of capital stock	8,458,771	9,463,800
Repayment of loans payable	(10,000,000)	(20,000,000)
Interest paid	(98,333)	(1,520,000)
Dividend distribution	(12,048,351)	—
Net cash flows used in financing activities	(13,687,913)	(12,056,200)
NET INCREASE IN CASH	2,203,128	(14,819,516)
CASH AT BEGINNING OF YEAR	56,388,005	71,207,521
CASH AT END OF YEAR	₱58,591,133	₱56,388,005


BOTICARD INC.
STATEMENTS OF FINANCIAL POSITION

	December 31	January 1
	2012	2012
	2013	
ASSETS		
Current Assets		
Cash	₱18,779,383	₱11,421,272
Trade and other receivables	4,651,512	3,609,608
Inventories	3,216,605	3,396,782
Other current assets	171,500	308,051
Total Current Assets	26,819,000	18,735,713
Noncurrent Assets		
Property and equipment	1,615,076	2,493,892
Deferred tax assets	1,276,811	610,730
Total Noncurrent Assets	2,891,887	3,104,622
	₱29,710,887	₱21,840,335
		₱7,946,565
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	₱6,363,531	₱5,425,300
Dividends payable	994,500	—
Income tax payable	1,136,927	490,625
Total Current Liabilities	8,494,958	5,915,925
Noncurrent Liabilities		
Retirement liabilities	3,001,274	1,849,747
Deposit for future stock subscription	9,595,500	7,649,500
Total Noncurrent Liabilities	12,596,774	9,499,247
Total Liabilities	21,091,732	15,415,172
Equity		
Capital stock	7,060,500	7,060,500
Retained earnings (deficit)	2,993,822	107,490
Remeasurement loss on retirement liabilities	(1,435,167)	(742,827)
Total Equity	8,619,155	6,425,163
	₱29,710,887	₱21,840,335
		₱7,946,565

BOTICARD INC.
STATEMENTS OF INCOME

	Years Ended December 31	
		2012
	2013	
GROSS SALES	₱51,101,715	₱25,863,090
Less: Sales discount	863,511	375,483
Sales returns	12,658	3,114
NET SALES	50,225,546	25,484,493
COST OF SALES	26,178,571	11,556,993
GROSS PROFIT	24,046,975	13,927,500
GENERAL AND ADMINISTRATIVE EXPENSES	11,381,988	7,912,034
SELLING AND DISTRIBUTION EXPENSES	7,128,156	4,983,073
OPERATING INCOME	5,536,831	1,032,393
OTHER INCOME		
Interest income	230,188	171,838
Miscellaneous	—	377
INCOME BEFORE INCOME TAX	5,767,019	1,204,608
PROVISION FOR INCOME TAX	1,834,687	650,805
NET INCOME	₱3,932,332	₱553,803

BOTICARD INC.**STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31	
		2012
	2013	
NET INCOME	₱3,932,332	₱553,803
OTHER COMPREHENSIVE LOSS		
Items that may not be classified to the statement of income:		
Remeasurement loss on retirement liabilities	(989,057)	(1,267,082)
Income tax effect	296,717	380,125
	(692,340)	(886,957)
TOTAL COMPREHENSIVE INCOME (LOSS)	₱3,239,992	(333,154)

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

	Capital Stock	Retained Earnings	Remeasurement Loss on Retirement Liabilities	Total
Balance at January 1, 2013, as previously reported	₱7,060,500	₱2,107,155	₱–	₱9,167,655
Effect of retroactive application of PAS 19 (Revised)	–	2,971	(742,827)	(739,856)
Prior period adjustments	–	(2,002,636)	–	(2,002,613)
Balance at January 1, 2013, as restated	7,060,500	107,490	(742,827)	6,425,163
Total comprehensive income 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
Balance at January 1, 2012, as previously reported	₱5,538,000	₱122,617	₱–	₱5,660,617
Effect of retroactive application of PAS 19 (Revised)	–	–	144,130	144,130
Prior period adjustments	–	(568,930)	–	(568,930)
Balance at January 1, 2012, as restated	5,538,000	(446,313)	144,130	5,235,817
Total comprehensive income for the year	–	553,803	(886,957)	(333,154)
Collection of subscription receivables	1,522,500	–	–	1,522,500
Balance at December 31, 2012	₱7,060,500	₱107,490	(₱742,827)	₱6,425,163

BOTICARD INC.**STATEMENTS OF CASH FLOWS**

	Years Ended December 31	
		2012
	2013	
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱5,767,019	₱1,204,608
Adjustments for:		
Depreciation and amortization	1,151,273	674,108
Interest income	(230,188)	(171,838)
Loss on disposal of property and equipment	8,514	—
Loss on inventory writedown	65,918	186,020
Changes in operating assets and liabilities:		
Decrease (increase) in the amounts of:		
Trade and other receivables	(1,041,904)	(2,138,695)
Inventories	114,259	(2,935,786)
Other current assets	136,551	(266,051)
Increase in the amounts of:		
Trade and other payables	938,231	3,089,852
Retirement liabilities	162,470	207,365
Net cash generated from (used in) operations	7,072,143	(150,417)
Interest received	230,188	171,838
Income taxes paid	(1,557,749)	(256,570)
Net cash provided by (used in) operating activities	5,744,582	(235,149)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment	(280,971)	(2,668,230)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Deposit for stock subscription	1,946,000	7,649,500
Issuance of capital stock	—	1,522,500
Dividends paid	(51,500)	—
Net cash flows provided by financing activities	1,894,500	9,172,000
NET INCREASE IN CASH	7,358,111	6,268,621
CASH AT BEGINNING OF YEAR	11,421,272	5,152,651
CASH AT END OF YEAR	₱18,779,383	₱11,421,272

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

	December 31	
		2012
	2013	
ASSETS		
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
Loans and receivables	170,230,048	23,351,446
Held-to-maturity investments	2,011,151	2,011,459
Property and equipment	24,284,161	1,163,347
Investment properties	490,160	–
Deferred tax assets	5,409,164	–
Other assets	1,749,689	461,130
	₱247,859,175	₱35,344,251
LIABILITIES AND EQUITY		
Liabilities		
Deposit liabilities		
Savings	₱80,154,264	₱14,846,249
Time	104,074,359	11,024,727
	184,228,623	25,870,976
Deposit for future stock subscription	32,500,000	6,875,000
Retirement liabilities	15,605,570	4,781,535
Income tax payable	2,556,913	–
Other liabilities	4,764,580	344,703
	239,655,686	37,872,214
Equity		
Common stock	17,500,000	10,625,000
Deficit	(3,806,951)	(13,152,963)
Remeasurement losses on retirement plan	(5,489,560)	–
	8,203,489	(2,527,963)
	₱247,859,175	₱35,344,251

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

	Years Ended December 31	
		2012
	2013	
INTEREST INCOME ON		
Loans and receivables	₱42,415,648	₱1,330,017
Due from Bangko Sentral ng Pilipinas and other banks	308,605	49,938
Held-to-maturity investments	113,177	75,036
	42,837,430	1,454,991
INTEREST EXPENSE ON		
Deposit liabilities	2,786,985	185,500
NET INTEREST INCOME	40,050,445	1,269,491
Gain on foreclosure	207,621	–
Foreign exchange loss	(17,250)	(102,741)
Service charges	–	213,078
Loss on sale of investment properties	–	(29,389)
Miscellaneous	23,729	7,407
TOTAL OPERATING INCOME	40,264,545	1,357,846
OPERATING EXPENSES		
Compensation and benefits	15,385,799	6,657,030
Taxes and licenses	2,590,351	90,657
Provision for credit and impairment losses	1,913,886	858,435
Transportation and travel	1,657,092	62,669
Stationeries and supplies	1,587,444	262,372
Rent	1,464,391	548,129
Depreciation and amortization	1,248,646	174,956
Information technology	1,171,552	36,754
Security, messengerial, janitorial services	866,292	5,526
Fuel and lubricants	846,961	56,205
Training and development	511,675	15,991
Power, light and water	458,088	136,990
Professional fees	376,120	279,000
Seminars and meetings	335,069	–
Insurance	273,946	50,608
Postage, telephone, cables and telegrams	190,780	40,218
Repairs and maintenance	147,770	84,752
Representation and entertainment	141,172	33,956
Miscellaneous	166,725	274,929
	31,333,759	9,669,177
INCOME (LOSS) BEFORE INCOME TAX	8,930,786	(8,311,331)
PROVISION FOR (BENEFIT FROM) INCOME TAX	(415,226)	24,995
NET INCOME (LOSS)	₱9,346,012	(₱8,336,326)

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

	Years Ended December 31	
		2012
	2013	
NET INCOME (LOSS)	₱9,346,012	(₱8,336,326)
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:		
Loss on remeasurement of retirement liabilities	(7,842,228)	—
Income tax effect	2,352,668	—
TOTAL COMPREHENSIVE INCOME (LOSS)	₱3,856,452	(₱8,336,326)

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

	Common Stock	Deficit	Remeasurement Losses on Retirement Plan	Total
Balances at January 1, 2013, as previously reported	₱10,625,000	(₱8,371,428)	₱–	₱2,253,572
Adjustment	–	(4,781,535)	–	(4,781,535)
Balances at January 1, 2013, as restated	10,625,000	(13,152,963)	–	(2,527,963)
Issuance of shares	6,875,000	–	–	6,875,000
Comprehensive income 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
Balances at January 1, 2012	₱10,625,000	(₱4,816,637)	₱–	₱5,808,363
Comprehensive loss for the year	–	(8,336,326)	–	(8,336,326)
Balances at December 31, 2012	₱10,625,000	(₱13,152,963)	₱–	(₱2,527,963)

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

	Years Ended December 31	
		2012
	2013	
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	₱8,930,786	(₱8,311,331)
Adjustments for:		
Provision for credit and impairment losses	1,913,886	858,435
Depreciation and amortization	1,248,646	174,956
Gain on foreclosure of investment property	(207,621)	—
Gain on sale of property and equipment	(2,035)	—
Amortization of held-to-maturity investments	308	11,743
Foreign exchange loss	—	102,741
Unrealized loss on sale of investment properties	—	29,389
Operating income before changes in operating assets and liabilities:	11,883,970	(7,134,067)
Increase in:		
Loans and receivables	(153,595,062)	(15,514,477)
Other assets	(1,288,559)	(244,254)
Increase in:		
Deposit liabilities	158,357,647	12,863,635
Retirement liabilities	2,981,807	4,781,535
Other liabilities	2,919,877	284,997
Net cash generated from (used in) operations	21,259,680	(4,962,631)
Income taxes paid	(84,357)	(50,209)
Net cash provided by (used in) operating activities	21,175,323	(5,012,840)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment	(22,873,586)	(428,964)
Proceeds from disposal of investment properties	4,520,035	12,701
Proceeds from disposal of property and equipment	6,161	—
Net cash used in investing activities	(18,347,390)	(416,263)
CASH FLOWS FROM FINANCING ACTIVITY		
Deposit for future stock subscription	32,500,000	6,875,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	35,327,933	1,445,897
EFFECTS OF FOREIGN EXCHANGE ON CASH AND CASH EQUIVALENTS	—	102,741
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	355,664	317,404
Due from Bangko Sentral ng Pilipinas	633,928	578,113
Due from other banks	7,367,277	6,118,196
	₱8,356,869	₱7,013,713

	Years Ended December 31	
		2012
	2013	
CASH AND CASH EQUIVALENTS AT END 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

OPERATIONAL CASH FLOWS FROM INTEREST

	Years Ended December 31	
	2013	2012
Interest received	₱39,530,554	₱1,269,209
Interest paid	2,271,571	167,653



CARD LEASING AND FINANCE CORPORATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013

ASSETS

Current Assets

Cash	₱7,217,494
Trade and other receivables	8,609,454
Inventories	2,414,149
Other current assets	1,422,041
Total Current Assets	19,663,138

Noncurrent Assets

Trade and other receivables - net of current portion	9,983,884
Equipment held for lease	30,519,035
Property and equipment	677,544
Intangible asset	2,270,833
Total Noncurrent Assets	43,451,296
	₱63,114,434

LIABILITIES AND EQUITY

Current Liabilities

Trade and other payables	₱5,615,867
Income tax payable	1,708,530
Loans payable	6,616,602
Total Current Liabilities	13,940,999

Noncurrent Liabilities

Loans payable - net of current portion	13,277,681
Retirement liabilities	1
Deferred tax liabilities	96,995
Total Noncurrent Liabilities	13,374,677
Total Liabilities	27,315,676

Equity

Capital stock	30,143,800
Retained earnings	5,428,637
Remeasurement gain on retirement plan	226,321
Total Equity	35,798,758
	₱63,114,434

CARD LEASING AND FINANCE CORPORATION

STATEMENT OF INCOME

FOR THE PERIOD JANUARY 10 TO DECEMBER 31, 2013*

OPERATING INCOME

Sales from printing	₱61,181,009
Cost of sales	(50,152,240)
Gross income from printing	11,028,769
Rental and finance income	11,431,664
Interest income	935,722
	23,396,155

EXPENSES

Depreciation and amortization	5,660,337
Compensation and benefits	2,755,479
Seminars and meetings	1,027,496
Program monitoring and evaluation	906,449
Provision for credit losses	906,047
Insurance	782,538
Staff training and development	731,767
Taxes and licenses	667,502
Transportation and travel	343,522
Supplies and materials	293,283
Interest	216,380
Utilities	187,969
Management and other professional fees	166,120
Rental	120,000
Miscellaneous	239,757
	15,004,646

INCOME BEFORE INCOME TAX 8,391,509

PROVISION FOR INCOME TAX 2,962,872

NET INCOME AFTER TAX ₱5,428,637

* The Company was registered with the Securities and Exchange Commission and started commercial operations on January 10, 2013.



CARD LEASING AND FINANCE CORPORATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD JANUARY 10 TO DECEMBER 31, 2013*

NET INCOME AFTER TAX	₱5,428,637
CHANGE IN REMEASUREMENT GAIN ON RETIREMENT PLAN - NET	323,316
INCOME TAX EFFECT	(96,995)
TOTAL COMPREHENSIVE INCOME	₱5,654,958

* The Company was registered with the Securities and Exchange Commission and started commercial operations on January 10, 2013.



CARD Leasing and Finance Corporation**STATEMENT OF CHANGES IN EQUITY****FOR THE PERIOD JANUARY 10 TO DECEMBER 31, 2013***

	Capital Stock	Retained Earnings	Remeasurement Gain on Retirement Plan	Total
Balances at beginning of period	₱—	₱—	₱—	₱—
Issuance of capital stock	30,143,800	—	—	30,143,800
Comprehensive income for the period	—	5,428,637	226,321	5,654,958
Balance at end of period	₱30,143,800	₱5,428,637	₱226,321	₱35,798,758

* The Company was registered with the Securities and Exchange Commission and started commercial operations on January 10, 2013.



CARD LEASING AND FINANCE CORPORATION

STATEMENT OF CASH FLOWS

FOR THE PERIOD JANUARY 10 TO DECEMBER 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Income before income tax	₱8,391,509
Adjustments for:	
Depreciation and amortization	5,660,337
Provision for credit losses	906,047
Interest expense	216,380
Operating income before changes in operating assets and liabilities	15,174,273
Changes in operating assets and liabilities:	
Increase in:	
Trade and other receivables	(19,499,385)
Inventories	(2,414,149)
Other current assets	(1,422,041)
Increase in:	
Trade and other payables	5,535,437
Retirement liabilities	323,317
Net cash used in operations	(2,302,548)
Income taxes paid	(1,254,342)
Net cash used in operating activities	(3,556,890)

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisitions of:	
Equipment held for lease	(35,525,671)
Property and equipment	(1,102,078)
Intangible asset	(2,500,000)
Cash used in investing activities	(39,127,749)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from:	
Issuance of capital stock	30,143,800
Availment of loans	20,000,000
Discount from loans	(105,717)
Interest paid	(135,950)
Net cash provided by financing activities	49,902,133

CASH AT END OF PERIOD	₱7,217,494
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* The Company was registered with the Securities and Exchange Commission and started commercial operations on January 10, 2013.

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