



READY AND STRONGER FOR THE ASEAN INTEGRATION

CARD MRI ANNUAL REPORT 2015



ABOUT THE COVER

Every client in the cover represents a story of change. Together with CARD MRI, they made the brave choice of stepping out of poverty for a better life. They represent our more than three million clients who are now ready and stronger for the ASEAN Economic Community.

The overlapping colors of red, blue, and yellow symbolize the ten ASEAN countries that joined together to form a single market and to create a greater impact for its people. Our staff, management, and clients celebrate and welcome the great opportunities ahead.



VISION

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

MISSION

CARD MRI is committed to:

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

10 member
countries
of the **ASEAN**
region



BRUNEI
DARUSSALAM



CAMBODIA



INDONESIA



LAO PDR



MALAYSIA



MYANMAR



PHILIPPINES



SINGAPORE



THAILAND



VIETNAM

What is the
ASEAN
integration?



10 SOUTHEAST ASIAN COUNTRIES

ONE SINGLE MARKET

FOR THE FREE FLOW OF



GOODS



SERVICES



CAPITAL



LABOR

FOUNDED ON FOUR BASIC INITIATIVES

CREATING A SINGLE MARKET AND PRODUCTION BASE
INCREASING COMPETITIVENESS
PROMOTING EQUITABLE ECONOMIC DEVELOPMENT
INTEGRATING ASEAN WITH THE GLOBAL ECONOMY





MESSAGE FROM THE FOUNDER & MANAGING DIRECTOR DR. JAIME ARISTOTLE B. ALIP

Microfinance has proven to be a vital component in the fight against poverty in countries around the world. It is viewed as an important tool in improving the lives of those at the bottom of the pyramid. Through microfinance, the poor are provided financial access for a productive livelihood, which commercial financial institutions cannot directly provide. With microfinance institutions' (MFIs') close relationship with its target clients, the poor, has found an ally as they traverse the long path out of poverty. In the years of service to the poor, MFIs has gained the trust of its clients as experienced by most of these institutions.

I always say that CARD is in the business of poverty eradication. That's our vision, not only

for our country but at a global scale. We have been providing our services for 29 years now not only here in the Philippines but in other countries as well like Cambodia, Laos, Vietnam, Indonesia, Myanmar and Hong Kong. Even before the arrival of ASEAN Integration, CARD MRI has fully equipped itself for the upcoming opportunities and challenges ahead.

We do this by making ourselves relevant. We continue to position ourselves as the champion of the poor by innovating products and services that are responsive to our clients' needs.

Once the big players are here, there would be staff and client poaching. But we can prevent that through better and improved loyalty programs

and provision of responsive products and services such as stockholdings, training and development, provision of health programs, insurances, etc.

As always, we apply the right recruitment process to hire individuals whose passion are aligned to providing service for the poor. This way, we know that our staff wouldn't just stay, they would also be one with us in our fight against poverty.

Many institutions view the stiff competition brought about by the economic integration as a challenge, but for us, we see this as an opportunity to ensure better service, provide competitive products and ensure efficiency in the implementation of all our products and services. We also make sure that our clients coming from the unbanked areas feel that they are part of the CARD family. We continue to customize our services at the center level. We implement effective staff and client training development, continue and scale up community development programs, improve our mobile banking, provide

agri-financing to our farmers, implement bundled loans composed of microinsurance products, provide Credit with Education, expand internationally and be more efficient with our 1-3-5 days target in insurance claims settlements.

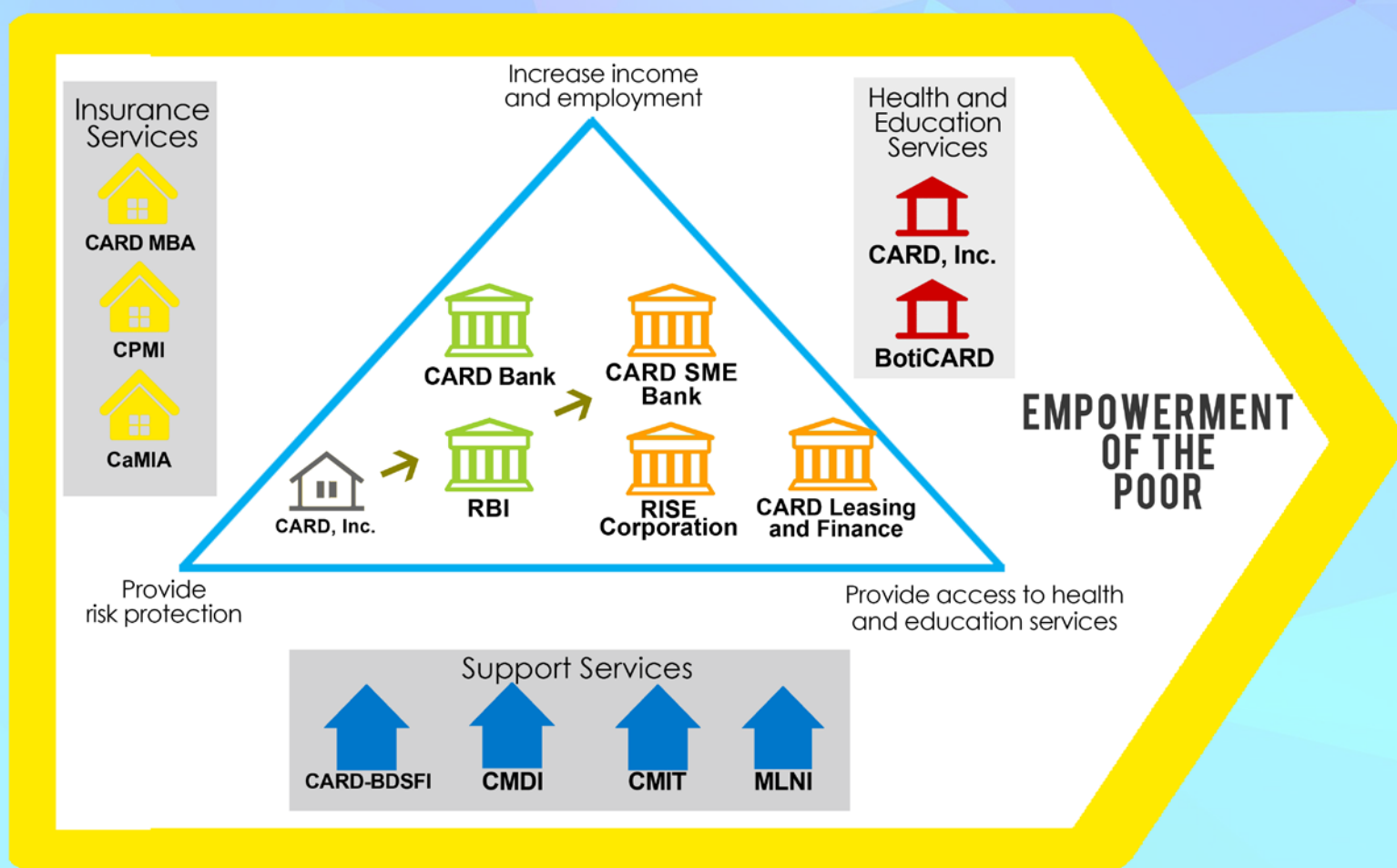
Credit pollution is also one of the expected effects of the economic integration. We need to be responsible enough so that our clients will not experience credit pollution. We face this by spearheading the creation of a credit bureau and actively participating in it. The credit bureau is also a way to unite the microfinance institutions.

It is not only in the financial sector that these players will be coming in; it can also be in the agriculture and retail sectors. This is where product development through CARD-BDSFI will be relevant. If we want to be relevant, we must keep prices competitive for the benefit of our clients. We must continue to develop the products of our clients by assisting them in product packaging. CARD-BDSFI and Mga Likha ni Inay will be stepping up to the next level in order to assist our clients.

Meanwhile, we must build on our strengths as a nation to make the most of the ASEAN Integration. The Philippines is an agricultural country. In the agricultural industry, education and training is important in making an agricultural business more productive and profitable. MFIs can link farmers to institutions that provide agricultural information and technology. If an MFI has an education program like the Credit with Education program or other learning techniques, it can also develop specific education sessions that would respond to the needs of its clients from farm inputs to farm management.

Despite the challenging nature of agricultural microfinance, there are strategies that can be implemented in order to surpass these challenges in the 2015 ASEAN Integration. The holistic program implementation by providing not only microfinance but other value added products and services like education, microinsurance, and business development is a key strategy to make CARD as a relevant and a responsive microfinance institution. This way we will continue to eradicate poverty in the country and abroad.





5-8-40 CARD MRI STRATEGIC DIRECTION

Along with the introduction of the ASEAN integration, our stronghold to be versatile and pliant is the 5-8-40 CARD MRI Strategic Direction. We are confident that with the implementation of this 5-year strategic plan, we will be able to empower the poor through increasing income and employment and providing insurance, health and education services to them. Through 5-8-40, we aim to achieve a friendly environment for financial inclusion of a bigger unbanked, uninsured and unserved population.

FOCUS 1	FOCUS 2	FOCUS 3
INCOME AND EMPLOYMENT	HEALTH AND EDUCATION	RISK PROTECTION
We want to help improve income and create employment opportunities.	We want to improve health and reduce the incidence of sickness and death. We aspire to provide opportunities for higher education for deserving Nanays and children of poor families.	We aspire to provide risk protection against loss of life or property caused by sickness, death or catastrophic events.
How?	How?	How?
We are providing financing for micro-, small- and medium-scale businesses, non-financial business, development services.	We are facilitating access to professional healthcare providers and facilities universal healthcare affordable medicines We will provide financing opportunities for higher education.	We are providing affordable life and non-life microinsurance.

FOCUS AREAS

MYANMAR

CARD Myanmar Company Limited

- ✓ Permanent license as an MFI registered
- ✓ TOT training for all local staff and experts
- ✓ Technical Assistance (TA) in finance conducted
- ✓ SBFIC project for CARD Myanmar approved
- ✓ **Partnership with the MDP and SBFIC**
- ✓ Provided Short-term Technical Assistance (STA) on financial literacy research and Human Resource Development

LAOS

- ✓ United Nations Capital Development Fund (UNCDF) Project Phase out and Expert Repatriation
- ✓ Technical assistance to microfinance institutions in Luang Prabang through the Association of Asian Confederation of Credit Unions (ACCU) partnership

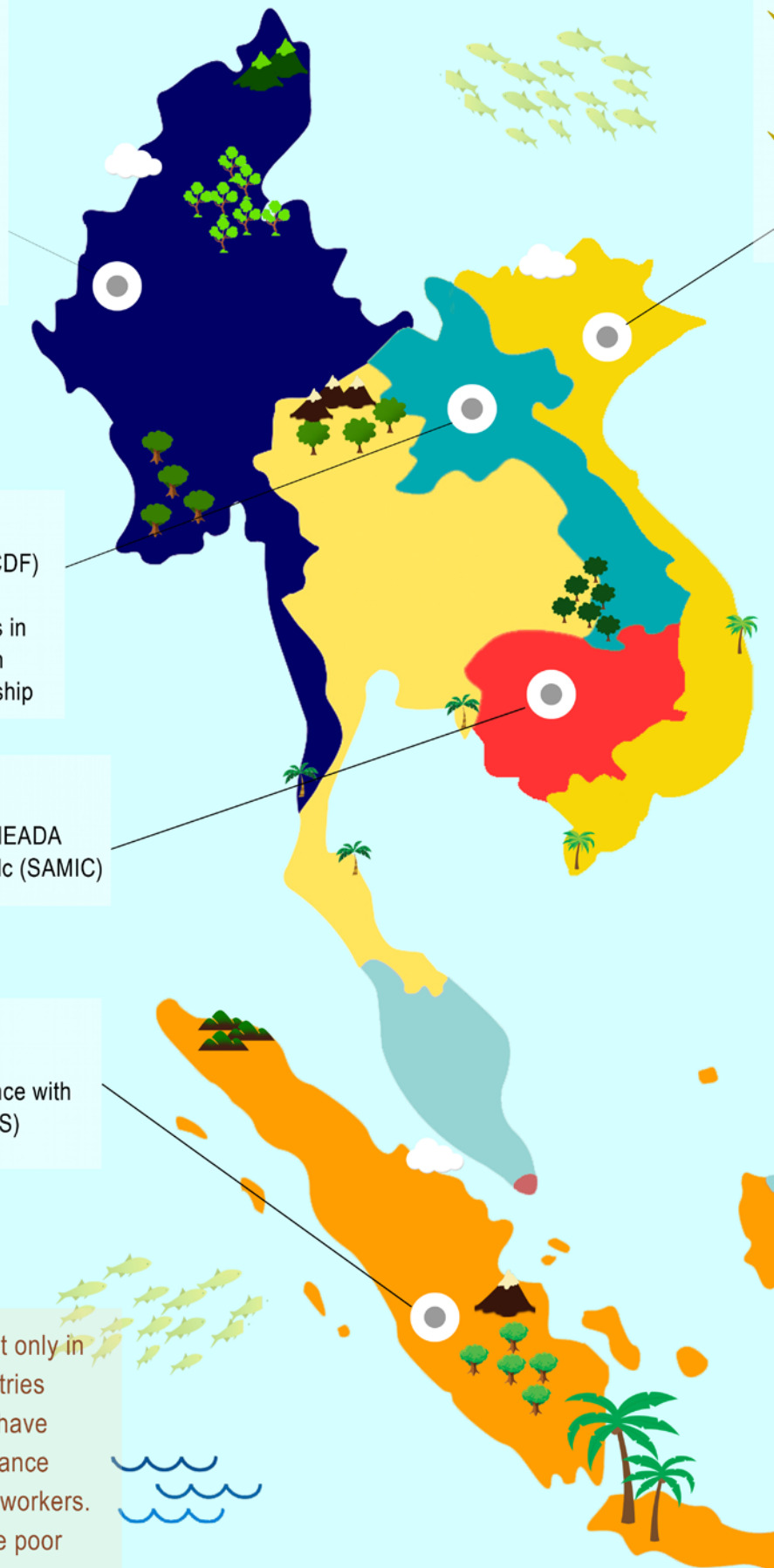
CAMBODIA

- ✓ On-going technical assistance with MEADA Rabrong Plc.(MEADA) and SAMIC Plc (SAMIC)

INDONESIA

- ✓ On-going technical assistance with Dana Madiri Sejahtera (DMS)

CARD MRI has been creating waves of change not only in the Philippines, but also in the Southeast Asian countries since 2007. Even before the ASEAN Integration, we have been providing technical assistance to other microfinance institutions and financial literacy to overseas Filipino workers. Our purpose remains anchored to serve and uplift the poor even if it takes braving the seas.



VIETNAM

- ✓ On going projects/partnerships:
- ✓ Savings Banks Foundation for International Cooperation (SBFIC)-CARD Project, Vietnam Women's Academy (VWA) -Microfinance Center (MFC) Project, and Fund for Poor Women (FPW) Microfinance
- ✓ Continuous partnership with Thin Thuong One-Member Limited Liability Microfinance Institution (TYM) under Savings Bank Foundation for International Cooperation (SBFIC) project

HONG KONG

CARD MRI OFW Foundation Hongkong

- ✓ 7 batches of Financial Literacy workshop
- ✓ 12 additional OFW trainors trained
- ✓ Media mileage gained on international newspaper
- ✓ >300 OFWs attended "The Negosyo Talk" in partnership with CARD SME Bank
- ✓ Continuous enhancement module on Entrepreneurship and Training of Trainers (ToT)



190,499	Client outreach
20,972	Insured clients
272,235	No. of depositors
69,056,810	Loan Outstanding
37,989,356	Savings Amount
1,232	Financial Literacy Participants

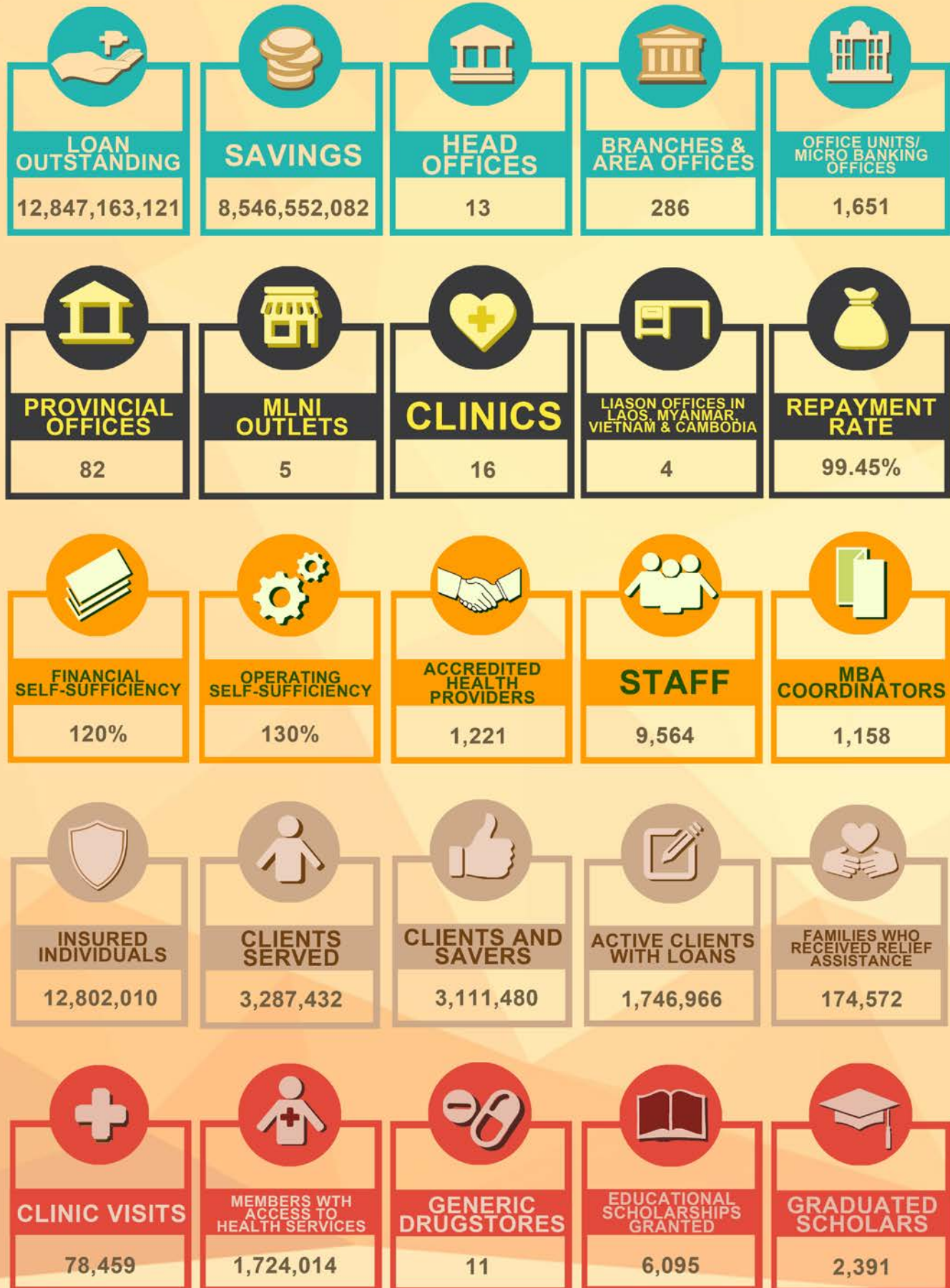
BRAVING THE SEAS

ACCOMPLISHMENTS OF CARD MRI'S INTERNATIONAL GROUP

CREATING IMPACT

ACCOMPLISHMENTS OF CARD MRI

CARD MRI BRAVED THE SEAS THIS YEAR BUT IS CONTINUOUSLY STEERING OUR PURPOSE TO SERVE THE UNSERVED LOCALLY. WE CREATED IMPACTS AND CONCRETIZED POVERTY ERADICATION IN OUR HOMELAND, THE PHILIPPINES, BECAUSE WE ARE BUILT TO UPLIFT THE FILIPINO POOR'S CONDITION OF LIVING.





EXECUTIVE REPORTS & CLIENT STORIES

We exist because there is a need to bring the poor higher and to help them break out from the vicious cycle of poverty. With the recent commencement of the ASEAN Economic Community (AEC), we are on a firm position to serve our people. With our current endeavors, we are confident that our clients are ready and stronger for this new chapter.

TRAILBLAZING THE PATH TOWARDS POVERTY ERADICATION

ELMAB. VALENZUELA

President and Executive Director



For 30 years, CARD, Inc. unceasingly revolutionizes the microfinance industry through its consistent, purposeful, and forward-looking brand of service.

This year, we prepared our human resources through higher levels of education and capacity building. On the other hand, we prepared our members through orientation regarding the AEC. We also implemented a Credit with Education (CwE) series that will raise awareness on the ASEAN Integration.

Our institution is also very particular in client retention. Our brand of service is unique because we move beyond financial services. We take into consideration our members' overall well-being by offering community health programs, scholarships, affordable insurance products, and many others.

We increased our loan amount, further adjusted lumpsum payment for agricultural loan, expanded loan products for indigenous people, expanded small business loan (SBL), and slowly opened our institution to male members. These innovative changes increased our membership from 1.07 million clients to 1.18 million clients in 2015.

EXTENDING OUR REACH AND PARTNERSHIP

True to our mission of poverty eradication, CARD, Inc. pushes for inclusive growth and development. We have established our presence in hard-to-reach places, areas with conflict, and island provinces particularly in Visayas and Mindanao. We have also gone full blast in terms of the Development Services for Hardcore Poor (DSHP) by matching the members to programs that will suit their

ability to start a livelihood activity.

This year, we became part of the Microfinance Information Data Sharing, Inc. (MIDAS), which is a microfinance bureau in the Philippines, and served people who have been affected by Typhoon Yolanda.

RISING TO THE CHALLENGE

Technology-wise, CARD, Inc. is gearing up for the core banking system that will allow our institution to be at par with tech-savvy groups within the region. We have also integrated our operations with information technology. With this, the efficiency and synergy of our operations have improved.

In terms of our interest rate, we still have a competitive price in the market. However, we are not complacent and we have devised strategies to make sure that we remain reasonable without sacrificing the quality of our services.

CONTRIBUTING TO THE 5-8-40 STRATEGY

CARD, Inc. will contribute to the 5-8-40 strategy by focusing expansion in island provinces, establishing presence in areas covered by CARD Bank through the DSHP, intensifying SBL and agricultural loan to increase male membership, implementing improved or modified pay-and-go scheme, using technology for efficiency, and improving capabilities through capacity building, training, and open communication with the management.

CARD, Inc. has blazed the trail towards poverty eradication. We have set the best practices and have the seasoned experts in the industry. We could not be happier that this period of integration will open up more opportunities for other institutions to help us meet our goals. Imagine all of us collaborating towards eradicating poverty and ensuring that our growth is inclusive!

CARD, INC.



A SWEET LIFE ERLINDA LABITORIA

CARD, Inc. member from Pangasinan

Prior to being a microentrepreneur, I was working at a post office in Makati. My husband worked as a security guard for a lawyer. When we both left our jobs, we used our little savings and our separation pay to start selling chichacorn. We figured that owning a business would give us more time for ourselves and become our own boss.

Our chichacorn business flourished and became successful. But because we failed to manage our finances well, our business eventually faced bankruptcy. We have overcome this major setback and stood up once again. CARD, Inc. gave me another chance when I got my first loan. From this experience, I learned that budgeting, saving, and managing finances are very important.

When I started the business again, this time focusing on pasalubong products like banana chips, I was the only one who does all the tasks for the business. I cook my products then repack them myself. As the demand for my products grew, I needed more hands to help. My husband also joined me in managing the business while I hired my neighbors to be my employees. We treat each other as more than co-workers; we are now a family.

TOP CHOICE

Our products, which are now branded as “Crunchies Snacks Products” become one of the top pasalubong choices for tourists. On the average, our business sales range from P20,000 to P30,000 every day. It gets as high as P100,000 when tourists visit North Luzon especially during festivities like Panagbenga in Baguio City.

Because of our business, I was able to buy my dream car

and we are on our way to building our dream mansion. I am also investing on my children’s education. Before we had our business, I did not know where to get the funds to send my children to school. But because of CARD, Inc., my dream for my children to get quality education can now become a reality. My eldest and youngest children will soon follow my footsteps as entrepreneurs while my other three children plan to become a doctor, to become a veterinarian, and to work after graduation.

FLAVORS OF THE ASEAN

The ASEAN Integration, I believe, will bring opportunities for microentrepreneurs like me. It would be great to have the opportunity to do business in other countries belonging to the ASEAN region.

My goal is to make my business sustainable so that I can pass on Crunchies to my children. When the time comes that our business can be exported to other Southeast Asian countries, it will boost our business even more and it can definitely help our business’ sustainability.

I am confident that even when other foreign delicacies and snacks enter the country, I would still have customers who will prefer my recipe. The purpose of the ASEAN Integration is to unify countries, so in my point of view, it would be a great pleasure to also taste the rich flavors of other ASEAN countries.

MORE THAN JUST A NANAY

When I get the chance, I always try to inspire other women to also take control of their lives. CARD, Inc. is an institution that empowers women to become more than just a nanay. They give you the opportunity to create a source of living for your family and to also create employment for the people in your community. Thanks to CARD, Inc., I am now experiencing one sweet life!

STANDING ON SOLID GROUND

DR. DOLORES M. TORRES

President and CEO



In light of the 2015 ASEAN Economic Community, we are often asked where CARD Bank, Inc. stands in this period of integration. Our answer remains anchored to our core mission of poverty eradication. We stand for a nation and an ASEAN region where sustained growth and equitable development are present. We stand for our clients who want a better quality of life through products and services that are enabling and empowering.

CARD Bank stands on solid ground because of the heart we put in our programs and services, the way we stay ahead while remaining rooted to our core mission, and the strategic steps we take as we move forward.

SERVICE WITH A HEART

When members are asked why they remain loyal to the institution, their answer is quite simple – “service with a heart.” Innate care for the clients is in the heart of every CARD Bank employee. It is this passion that fires an innovative spirit, creating a driven and game changing landscape that re-defines financial inclusion.

Our clients’ seal of approval is evident in the institution’s concluding figures for 2015. This year we have total of 1.69 million clients, of which 1.66 million clients are also savers. The products we offer, such as Matapat Savings, SIPAG Loan, and remittance services, underwent further refinement and gained positive response from our clients.

CARD Bank believes in the power of a community.

Nothing can generate innovation more than the conversations we constantly have with our clients. It’s where inspired change and growth can truly happen. The institution’s products and services arose from years of intent listening to their needs and immediately acting upon them. Our interventions are framed in the context of every Filipino’s desire to a life well lived.

STAYING AHEAD BUT REMAINING GROUNDED

Our team’s sleeves are constantly rolled up as we come up with the best products and services that will prepare clients to move up the ladder. This year, we focused on Konek2CARD – our mobile financial services, financial literacy for Overseas Filipino Workers (OFWs), and preparation of children and youth in terms of financial aspects. We also installed more ATMs and introduced a queuing system for our banks. More importantly, we are getting closer to the implementation of the Core Banking System. With this, we can enhance the delivery of our products and services and reach out to more communities in the country and in the ASEAN region.

STRATEGIC STEPS FORWARD

The institution, amidst the loyalty of its members, still feels challenged in ensuring that the clients and their families remain satisfied. As we take on the 5-8-40 strategy of CARD MRI, expect that CARD Bank will enhance its existing programs, launch new products and services, and strengthen its partnership with other organizations. Through our mobile financial services, Matapat and Maagap Savings, and staff training, we can guarantee that we are taking strategic steps forward.

CARD BANK, INC.



TAKING THE PATH LESS TAKEN

ESTER SHIELA VITTO

*CARD Bank, Inc. member from Oriental Mindoro and
Citi Microentrepreneurship Regional Awardee for Luzon*

When I decided to get married, I made a choice to go back to my hometown in Mindoro. During the earlier years of our marriage, my then OFW husband supported all of our family's needs. But I knew in my heart that this situation would not last forever.

My brother, who also resigned from work, decided to venture in a footwear business. I saw how the business operated and I joined the business later on. Due to some circumstances, my brother had to go back to Bataan. From then on, my husband and I took charge of running the footwear business.

RIISING TO THE CHALLENGE

Taking the full responsibility of the business was quite a challenge for us. However, we grabbed the opportunity brought by this challenge. We strived to make quality sandals for men and it gladly paid off. Because of good customer feedback, our product became known not only in Mindoro, but also in different parts of the country.

We were then faced with another challenge: no customer would come back to our store after three years because our sandals were so sturdy. Instead of buying new pairs, our customers would just avail our free repair and maintenance services. This is when we realized the value of product innovation. As much quality as our sandals can offer, we also have to give our clients something new: slippers.

HEADS UP

Our business stood strong despite the many challenges we faced. We have introduced new designs to the market and surprisingly, these became best sellers. More customers came and we eventually ventured to wholesale because of the influx of demand for the product.

I became a member of CARD Bank in 2007. I borrowed money to add to our capital. Little did I know that CARD Bank was more than that. CARD Bank helped me in lots of ways especially in terms of training to improve our business. I became knowledgeable on

how to manage the business and on practical topics that can help me as a person, a woman, a wife and a citizen of this nation. With the newfound knowledge I got from the training, I registered the business to the Department of Trade and Industry (DTI) under the name Bahag Footwear. CARD Bank continued to support us in growing our business and surviving the market competition.

From our 10,000-peso capital from our wedding, we are now reaping 1.8 million pesos in terms of annual average sales. Bahag Footwear has found its place in the market and is truly patronized by the Filipinos. We even sell the slippers as souvenir items. Today, Bahag Footwear is one of the most in demand footwear products in Mindoro. We have an average production of 70 pairs a day and have three branches in the area: Victoria, Bongabong and Pinamalayan. This is a testimony that giving up is never an option and hard work really pays off.

THE ASEAN INTEGRATION

Given the situation of my business, I can see better opportunities for expansion. The products' quality is truly world-class and has been selected to be brought to different countries through the help of DTI.

While CARD Bank has helped us in expanding, we do hope to be further introduced to more markets and clients. I am very confident that our products will still stand out despite the foreseen competition that the ASEAN Integration may bring. With CARD Bank by our side, we are confident that our brand will be better known and patronized by many.

A DREAM FOR ALL

My greatest dream is that Bahag Footwear becomes ready for franchise. I believe that by doing so, more people will benefit from it. I do not only dream of getting more clients and getting more profit, but also letting my employees, relatives, and friends have their own Bahag Footwear store. They are, after all, an important part in making our business a success. To share with them this success will always be my end-goal.

UPHOLDING THE INTEREST OF THE MARGINALIZED

MAY S. DAWAT

General Manager



Our interest lies on the interest of the marginalized. Our passion is fueled by our desire to uplift the poor's condition of living. CARD MBA continues to empower women by being 100% owned and led by our members. Our Board of Trustees, who are elected by members of the Association, are continuously being honed into becoming remarkable leaders through trainings and experiences. This year, our association has insured 12.8 million individuals.

The success of our institution can be attributed to our tried-and-tested model, the 1-3-5 claims payment. We have successfully implemented paying 97.05% of the claims of our clients within one, three, and five days. Based on research, 96% of our members are satisfied with our services because of the efficiency of our processes.

BEYOND OUR BOUNDARIES

The ASEAN integration is our time to go beyond our comfort zone and expand our outreach so we can bring our services to the ASEAN region and hopefully, make them adopt the "CARD MBA way." Having our model demonstrated in Cambodia, Vietnam, Laos, and Indonesia, we already gained a global standpoint of the integration. We have also set a partnership with Union Life, a life insurance company based in Bangkok, Thailand, so we can learn a more dynamic and global perspective on commercial life insurance.

Along with responding to the changing needs of our clients, climate change is also of our consideration. This led to the formation of the Product Development and Innovation Committee (PDIC) to ensure the quality

development of products and services of CARD MBA. PDIC spearheads the enhancement of existing products and the creation of new products based on our clients' feedback. This resulted to the development of new products like health insurance, memorial plan and educational plan.

YEAR OF SUCCESS

We are stepping the game up by enhancing the knowledge and skills of our clients and staff through formal education and trainings.

We were able to add 1,214 new members to our Golden Life Insurance Program (GLIP) and were able to conduct 40 GLIP caravans with 6,942 member-participants. We were also able to open four provincial offices in Nueva Ecija, Zamboanga Sibugay, Negros Occidental and Oriental Mindoro 2. For our BOAT program, we have four new partnerships, served 27,452 members and provided scholarship program to 16 sons and daughters of members of our BOAT Partners.

Mass weddings were continuously conducted and have served 343 couples this year. We have also started the Loss Prevention Program, which aims to educate the members about health and safety issues. We have also launched "Project Tala," which aims to ensure accurate and complete records of members' contributions.

CONTRIBUTING TO A GREATER CAUSE

We are privileged to be playing a crucial role in the fulfillment of CARD MRI's 5-8-40 goal. As the microinsurance provider of CARD MRI, our unwavering devotion to provide 40 million individuals with microinsurance by 2020 will never falter. Through our continuous endeavor to enhance, create, and innovate our products and services, we will continue to uplift the interest of the marginalized.

CARD MBA



CLINGING TO THREADS OF HOPE

DOLOR LINGO

CARD MBA member from Tacloban City

If there's one thing I want to fully forget, it would be my experience during the super typhoon Yolanda. The pain of losing the things we own and the people we love is just too devastating. I can still remember how the 20-foot flood and strong winds destroyed properties and took away lives. We lost almost everything we own but the most excruciating of all is losing three of our children. Perhaps the hardest part was we had to bury our children on our own.

CARD MBA helped us in this time of need. Together with other local and international NGO, CARD MBA helped us rise up just when we thought hope is nowhere to be found. We received insurance benefit for the death of my three children even when I am still a new member of CARD MBA. The amount we received may appear little to some, but at that time of need, it was all we ever needed to start our lives again.

A MATTER OF ACCEPTANCE

All hurts heal in time. Though I am still emotional when I talk about my experience, I have learned to accept what happened and to move on with my life. I faced the reality that tragedies and deaths happen.

I started to rebuild my life together with my husband and my remaining child. We gathered scraps together and sold them to a buyer from Manila. It was really hard but we continued to take the challenge. It was what we need to do to get by.

THE FAITH CARD MBA GAVE

Even as an ordinary member, I took all the responsibilities and policies of CARD seriously. For me, CARD is more than getting loans. I honestly feel that they care for my development as

a person. We become educated in different topics like healthcare and safety through the Credit with Education sessions during center meetings. Scholarship grants are also provided for clients and their children. They also care enough to provide insurance to the underserved sector.

CARD MBA gave me another chance at life when they offered me to become a coordinator. I embrace being a CARD member so I am thankful for this opportunity. This special task has also helped lessen my longing for my children. My experience also made it easier to explain to others how important insurance is. My story became the motivation for others to become prepared because life can really be unpredictable.

THE CARD MBA WAY

Unlike other insurance companies, CARD MBA has the sense of urgency to give clients their rightful claims. They are compassionate enough to make the processes easier and more convenient for those who have faced unfortunate calamities. When the situation calls for it, they even immediately release partial claims as initial payment as long as validation has been done already. I can feel that they do this because of their genuine interest to help their members especially in times of need.

I am very proud and grateful to CARD MBA for giving me and my family the opportunity to be insured at a very affordable cost. When we lost almost everything, we found hope in CARD MBA.

ALWAYS READY, ALWAYS AHEAD

EDZELA A. RAMOS

Dean/Institute Director



Having formed a niche in microfinance and other development trainings, we are confident that we can compete strongly and do well. We have established our institution as the preferred choice in providing microfinance trainings as we have been imparting proven and tested technologies to MFIs in the Philippines and other neighboring countries.

As a practitioner, our method of learning by doing is our primary advantage. As we are closely linked to member institutions under CARD MRI, we can easily expose our participants to our microfinance operations and other social development activities. We offer practical exercises like field visits that could enhance behavioral and technical aspects of the participants.

Because of this, we have developed a tremendous influence in Cambodia, Vietnam, Lao PDR, and Indonesia. We have also strengthened our outreach in Myanmar, immediately after it opened itself again to the international community. We can only see the integration as a greater opportunity to widen our presence, as well as to share our technologies to more microfinance institutions in the region.

TRAINING THE BEST CHANGE ADVOCATES

As the training arm of CARD MRI, CMDI has an important task of ensuring that all staff are competent in doing their jobs. We are with them from the very start of their careers, molding them into the best change advocates. We now made our training for account officers called Account Officers Ready to Go (AORTG) available to Account Officers (AO) of other MFIs. We are a certified Microfinance Technology National Certificate II (NCII in MF Tech) provider and an accredited assessment center in Technical Education and Skill Development Authority (TESDA).

We also ensure that our account officers are ready for career advancement. We designed trainings that are specific in enhancing skills of these staff for higher

level positions such as Unit Manager Ready to Go (UMRTG) and Regional Director Ready to Go (RDRTG) trainings. Other trainings for them are Customer Service Management Training, Facilitation Trainings, and Training of Trainers for Credit with Education. CMDI also caters to the specific training needs of admin and other CARD MRI staff.

GIVING BACK TO THE COMMUNITY

The year 2015 is a remarkable year for CMDI as it has received the approval of Commission on Higher Education to operate as a college. Currently, CMDI has 149 students taking up BS Entrepreneurship with specialization in Microfinance, which is the first of its kind in the country. The students enrolled in the college are composed of new high school graduates from Bay and nearby towns, CARD MRI staff, and CARD MRI scholars.

By 2016, CMDI Bay and Tagum campuses will be ready to accept Senior High School students as approved by Department of Education. CMDI Bay campus will be offering programs in Accountancy, Business and Management (ABM) and Computer Programming while CMDI Tagum campus will be offering Accountancy, Business and Management (ABM).

MODERNIZING TO REACH MORE

As CARD MRI continues to expand and multiply its manpower, CMDI also continues to intensify its capability to train and educate. With the advent of technology right at our fingertips, we look forward to educating our training participants and students wirelessly. We have started the use of e-learning tools and web-based learning materials. We plan to invest on such platforms to minimize costs while maximizing the technology of today's generation. Modernizing our processes can also help us strengthen our international presence even more.

With this plan in mind, we hope to contribute greatly to CARD MRI strategic 5-8-40 goal by 2020. It would be a privilege for us to become the institution that shaped the mindset and aligned the hearts of CARD MRI's change advocates.



BREAKING THE CYCLE OF POVERTY THROUGH EDUCATION

ROSANNA VILLAMOR

CARD Bank, Inc. member and parent of CMDI student from Laguna

Being a single mother places both the roles of a father and a mother on my shoulders. Among all my responsibilities, providing the basic needs of my seven children is the topmost of my priorities. I put in all my energy; even if it means engaging in jobs that are typically done by men.

Despite the difficulties we face, I am grateful that CARD has stood by our side since I became a member four years ago. Aside from helping us financially, it has given me hope that change is about to come. When CMDI started offering BS Entrepreneurship in 2015, my second to the eldest daughter, Rubilyn, had the opportunity to become one of the first students of the school.

CHANGING DESTINY

I acknowledge that education can change my children's destiny. It has always been my dream to see them succeed. But with the current situation of our family, having my children graduate from high school is already difficult to achieve. I always give my older children "the talk" when they graduate from elementary level. This talk consists of me explaining to them how I can only afford to give them an allowance of P20 everyday, which means they could not join any other extracurricular activity in school. As much as this talk hurts me as well, this is a reality that our family has to face.

I was lucky enough that my children are exceptionally resourceful, especially Rubilyn. All throughout high school, Rubilyn never asked for a single peso from me. She was very determined to finish high school that she worked in her

school's canteen so that she can earn P150 daily. This part-time job also gave her free lunch and snacks. When she had free time, she spent it by accepting laundry and tutoring jobs. She helped me in providing her siblings with extra money for their allowance and buy materials for projects.

LIMITLESS OPPORTUNITIES AHEAD

Rubilyn is also eager in taking scholarship examinations. This enabled her to find one that pays for all her tuition fees for her college education. She chose to enroll at CMDI because aside from proximity, CMDI offers limitless opportunities for poor families like us.

At CMDI, students are allowed to have part-time jobs. In Rubilyn's case, working for CMDI as a student assistant does not only make her earn money for her allowance, it has also allowed her to work with social development practitioners from CARD that help her understand what CARD does for the socioeconomically challenged.

CMDI's assistance to our family does not end after graduation. With their enrollment to employment program, I trust that Rubilyn and the other students in CMDI have a brighter future waiting for them. With the integration of ASEAN countries starting in 2015, I believe that CMDI is ready to impart the knowledge and hone the skills to produce competitive workers in the future. My daughter getting a degree from one of the leaders in microfinance and social development in Asia is definitely a dream come true. I am looking forward to a future where my daughter, together with CARD MRI and its pool of excellent and competent change advocates, becomes an instrument in ending poverty in the country.

A CUT ABOVE THE REST

ROSELITO A. MAGPANTAY

General Manager



As the ASEAN community opens its economic borders, business opportunities and threats will be forthcoming. The microinsurance industry will have a tight competition among its players. Furthermore, oversaturation among businesses threatens other small businesses to cease their operations as more big players enter the industry. Advanced products at lower premiums and other offerings will be laid on the table. Foreign businesses who will venture in our country have bigger capitals and thus can bring with them better technologies.

CaMIA may still be considered a relatively new player in the insurance industry as it was only established in 2007. Despite this apparent handicap and despite the expected fearsome competition from foreign players, our advantage is that we are local; and because we are, we know the environment and culture that surround us. We know the people and their needs, as well. For years, we have immersed ourselves with the people, and that is our advantage.

CONTINUING OUR SERVICE

Our products are always a response to what our clients need. When calamities strike, we always make sure that our clients can still find hope amidst uncertainties. This year, we continued to provide our clients with their insurance benefits the fastest way we could. We continue to raise the bar so that we can improve our services more.

The launching of our Sagip Plan is another highlight of our institution for the past year. Sagip Plan is a 3-in-1 family insurance package. For only Php 2,000, the plan includes coverage on personal accident, funeral assistance, and

re-housing. We were able to provide 59,176 Sagip Plans to our clients.

TOGETHER WE CAN

With the help of other institutions belonging to CARD MRI, CaMIA will continue to innovate and develop products that are responsive to the needs of our clients. We will continue to leverage on its considerable experience in the insurance industry and look for ways to cut the costs of doing business, improve operational efficiency, and optimize its position as a support function to CARD's core business.

An example of CaMIA's innovative approach is a program that aims to convert "savers" to "borrowers" by encouraging savers' attendance to a product-offering seminar where non-life insurance products will be discussed. Attendance is generated by gifting a free personal accident insurance to those who show up and listen to CaMIA's product roadshow. However, this program could only be cost-effective if bigger institutions would support CaMIA's participation. This bigger institution was, in fact, CARD MBA which is having its own Microinsurance Caravan. CaMIA was simply fortunate to have been given by CARD MBA space and support in the Caravan.

CaMIA very well knows it cannot pursue its mission by itself alone. It has to enhance its business partnership with CARD MBA, CPMI and with the microfinance institutions of CARD MRI, if it wants to succeed. CaMIA knows what it has to do, and it will try its best in its role of providing a more complete financial safety net to those who need it the most.



MY MOST TREASURED GEMS

ROSELYN MAYUGA

CARD Bank, Inc. member from Laguna who availed CaMIA's products

Twenty two years of marriage, two kids and a home; these are my most treasured gems in this world.

We were living a happy and normal life. I was working in Riyadh, Saudi Arabia to help in sustaining my families' needs while my husband, Leonides Mayuga, stayed here in the Philippines to supervise and take care of our two children. He was a tricycle driver and his earnings were added to our monthly budget. Our two kids were studying and were both in college.

Life was perfectly normal until the unthinkable happened. One of my precious gems was taken away from me. On the 8th of November 2015, my beloved husband, with whom I shared 22 years of my life, figured in an accident while he was driving his tricycle. An elf truck carrying sacks of palay hit him in our barangay in Victoria, Laguna. In that moment, with just a blink of an eye, my husband was taken away from us forever. Our world was shaken and it felt like there was nothing that could make our situation better.

PREPARED DURING UNCERTAINTIES

During the time that we felt most vulnerable, we also came to know those who we can rely on. One of them is our family in CaMIA. My sister-in-law, who is a Microinsurance Agent, convinced me and my husband to buy insurance from CaMIA. Some of us shun insurance because the idea of accidents and deaths seem to be far-fetched when we are well and healthy. But when the unpredictable hits us, that is when we will know that it is better to be prepared during uncertainties.

One can never be prepared for the passing of a loved one, but at least having some assurance that we can recover from a tragedy is something to be grateful for. Funeral expenses here in the Philippines can be very costly and receiving the benefit from CaMIA has been a great relief for our family. In a matter of five days, we were given our claims benefit when we handed our marriage contract.

Instead of using money from our savings or borrowing from different people, the P150,000 we received from CaMIA already covered everything. We paid in cash and did not owe anyone even a single peso. Some of the money left even covered our daily expenses as I was not able to go back to my job abroad immediately.

INCOMPARABLE SERVICE

CaMIA's dedication to provide insurance to communities is nothing but commendable. With our experience with them, I can only feel their sincerity in fulfilling their mission to help the CARD clients and their families get the assurance they need in times of difficulties.

Their hard work to change the Filipino's perception on insurance is also admirable. I would like to think that even though my husband passed away at a time when we least expected it, he also became an instrument in CaMIA's mission of opening the minds of Filipinos about insurance. After his death, a lot of our neighbors saw the value of insurance. With this, I have the peace of mind that more and more families in the Philippines will have the assurance in times of uncertainties.

BATTLING THE GIANTS

MARY JANE A. PERRERAS

President and CEO



Focusing on MSMEs enables us to help the Philippines grow into a more financially inclusive country. We believe that concentrating on this market will let us bring more impact to our goal of eradicating poverty.

This year, we have provided our services to more than 281,000 MSMEs and we are aiming to increase our clients served to 400,000 by the end of 2016. We went out of our comfort zones and opened branches outside of CALABARZON. We established new branches in the provinces of Dagupan, Bulacan, Subic, Bataan, and Naga. In 2016, we will concentrate on opening new branches in Northern Luzon, Visayas, and Mindanao.

Armed with vast experiences as a thrift bank, we are now more confident in releasing bigger loan amounts to our clients. Our credit assessment tools are being reviewed on a regular basis, allowing our transactions to become more efficient. With these developments, we are planning to offer wholesale lending to microfinance institutions (MFIs) that need funding. By assisting these MFIs, the impact of our services can be felt by more microentrepreneurs.

By next year, we will intensify our savings mobilization by fully implementing our ATM services. We will also make use of social media in marketing our products to reach SMEs whose businesses are also online.

OUR HEART TO SERVE

While opportunities come pouring in, we are also preparing for challenges ahead. Bigger foreign banks entered the country as soon as the ASEAN integration

started. These banks either established their own operations or merged with existing local banks to infiltrate our banking industry. With the on-going trend for banks to go into the MSMEs market, we are now facing stiffer competition.

With more resources, our competitors are capable of lowering their rates and fees to a cheaper scale. They have advanced technology that can offer more and better services to clients. As they could offer higher salary and more benefits, they also have the capability to entice our staff into working for them.

Their advantages, however, would not stop us from competing head-on with them. In terms of technology, we are currently developing a core banking system (CBS) that is incomparable to any other existing system in the industry. Aside from the regular data incorporated in the CBS, the system will be integrated with our microfinance and microinsurance operations. This system, we believe, will be an effective tool in improving our services to our clients.

As part of our endeavor to intensify our presence internationally, we also extended our services to OFWs by organizing an entrepreneurship forum in Hong Kong. This is also to support CARD MRI OFW Foundation Hong Kong's mission to promote financial literacy to OFWs so they can be prepared in their reintegration to the Philippines. Upon their return to the country, we will provide these OFWs with access to credit so that they can start their own businesses. We plan on pursuing these efforts not only in Hong Kong but also in other countries where many OFWs work.

Many banks may come and offer more than we could, but what will always remain true is our heart of service. Our intention is always gearing towards the best interest of our clients and staff. As long as we are here, we will always strive to bring change to the lives of the people we serve.

CARD SME BANK



WHEN THE WHEELS TURN

MARIA ANDRAL

CARD SME Bank member, Camarines Sur

When you can be trusted with little, you can also be trusted with much. This holds true with my experience with CARD. My first loan was P3,000 from CARD, Inc., which I used as my initial capital to buy lots of bananas. Every time my loan increases, I would add different snacks to sell like *camote cue*, *bibingka*, and *balut*. Eventually, I gathered enough funds to start an eatery with roofs made of palm and walls made of plywood. My food was known as clean and delicious so even if my place was small, I already gained many customers.

When I learned that the land where my eatery is located was on sale, I became interested in buying it. That time, I was already transferred to CARD Bank so I could avail loans amounting to P250,000. I feel grateful that I was entrusted with such a huge amount. The loan helped me in paying the three-hectare land where my house, my improved restaurant called “Barrio Meals” and the vulcanizing shop now stand.

CONTINUOUS IMPROVEMENTS

Innovation is one of the key factors in the success of any business. In my case, I always spice up our restaurant’s menu by coming up with new dishes for my customers. To also ensure the quality of the meat products that we sell, I put up an animal farm with goats, cows, and pigs from another six-hectare land that I recently purchased.

After observing that most of our customers are traveling through cars and buses, we also opened a vulcanizing shop beside our restaurant. We saw vulcanizing services as a business opportunity since an average of 100 buses stop by our restaurant every day.

Barrio Meals has more than 30 regular employees. During peak seasons, we hire 20 additional part-time workers.

With my businesses’ growing needs, it helps that CARD is always there to support me. Moving forward as an SME client from being a microfinance client was smoothly done with the assistance of CARD SME Bank. Now, I can get bigger loans that enable me to

accomplish my target goals faster. My first loan with CARD SME Bank was P500,000, which is payable for six months. I used this loan as a start-up capital for my animal farm. My next loan of the same amount and term was used for the expansion of my restaurant and for additional capital.

SHINING MY LIGHT TO OTHERS

A lot of times I ask myself, how could I even repay CARD for everything that they have done for me? I could not think of a better way to thank them but by sharing my story of success to other people. On November 21, 2015, I was given a chance to deliver a talk to OFWs in Hong Kong during an entrepreneurship seminar organized by CARD SME Bank and CARD MRI OFW Foundation Hong Kong. I could not contain my emotion while speaking in front of the OFWs. I am aware of the hardships and challenges they are facing so that they could provide a better life for their families. I could still remember when I sell snacks rain or shine, everyday with no fail, so that I can provide for my own family.

My encouragement for the OFWs and for other Filipino women who are striving to change their lives is that if someone like me can be successful, anyone could be successful, too. I have only graduated from elementary but because I believed in myself, I am now harvesting the fruits of my labor.

Despite the success I have right now, I continue to improve myself. I am currently enrolled in Alternative Learning System (ALS) as a high school student. I also hired a private teacher who coaches me on how to be more fluent in English. By doing this, I know that I’m setting an example to my children on the value of education.

Having an institution as a support system can also help you go a long way. My journey as an entrepreneur was successful because I have a reliable partner. As an SME, I have found my partner in growing my business and that is CARD SME Bank. *Sa pagitiwala sa isa’t isa, ako’y naniniwala na ang aking negosyo, pamilya at empleyado ay may kaakbay sa pag-unlad.* (With trust in each other, I believe that my business, family and employees have a reliable partner as we progress.)

INSPIRING PURPOSEFUL PARADIGMS

RAUL S. DIZON

President and CEO



This year was a pivotal one for the institution. First, we partnered with Fortress Data Services from Indonesia - a trustworthy and reliable shared services provider of world-class banking applications. By using Temenos, a core banking software, we are closer to a robust core banking system that will allow us to manage our information and provide better services to our clientele. As we gear towards enterprise solutions, the core banking system will not only benefit the financial institutions but the rest of CARD MRI as well.

For our Human Resources, we are developing a centralized human capital information system that enables us to have a singular view across CARD MRI from entry to retirement. This will allow us to have a good handle of our human and enterprise resources. For CARD MBA, we created the CARD MBA System (CMS) that has delivered measurable impacts for the institution's membership, accounting system, and claims process. CMIT aims to convey the same levels of efficiency and effectiveness to other institutions by bringing technological structures to life.

As we consider the massive core banking implementation within the next year, the second pivotal point for CMIT in 2015 is the improvement of processes and organizational structure to operationalize the new systems that we have. This year was a "preparation and decision phase." It was a time of great change that brought challenges in terms of decision-making and determining which opportunities would work for us.

RE-IMAGINING PLATFORMS AND PROCESSES

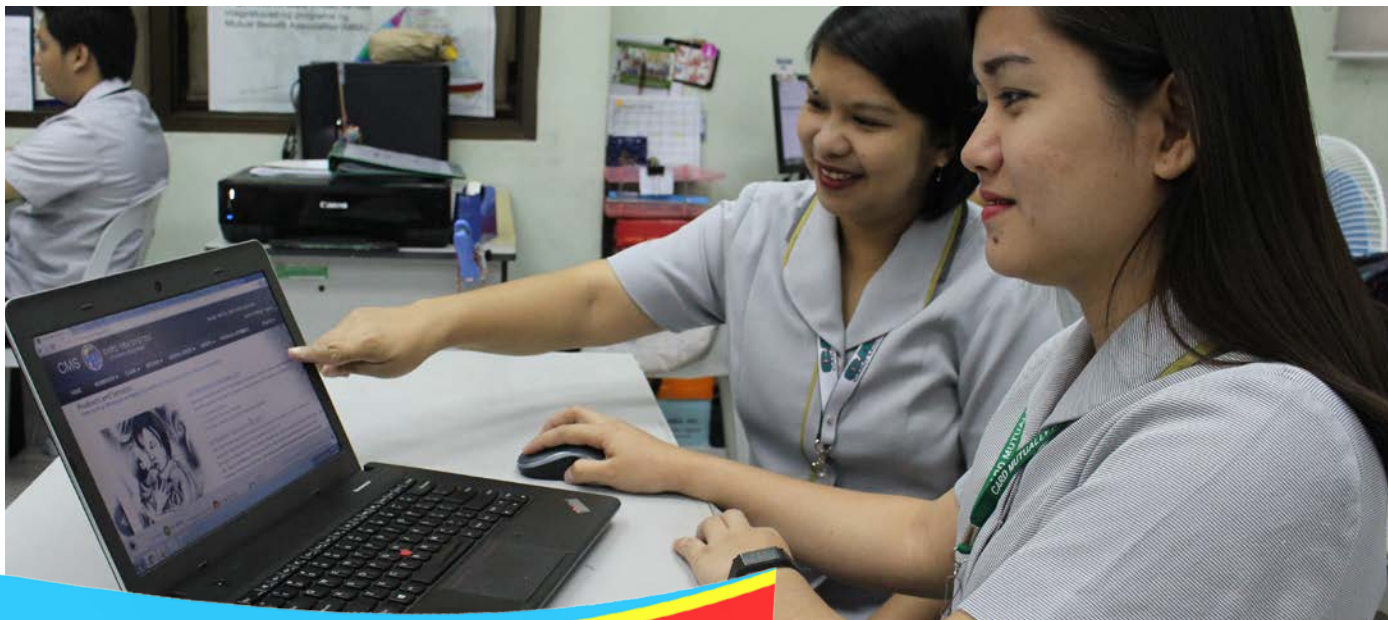
With a good and centralized core, we can reach out to

more members and have more delivery channels. CMIT will delve into the mobile financing system (MFS), which has two delivery systems. One is directed to the member and the other is agent-based. With this, we are bringing our products and services to where our members are. Our reach is more doable and no longer limited by infrastructure or people. In the near future, this MFS can also be a merchant or point-of-sale system wherein customers can initiate their transactions. Consider this and imagine the competitive and comparable advantages that are ahead of us.

GAINING A COMPELLING EDGE

In light of the ASEAN Economic Community, we are given the opportunity to capitalize on technology so that CARD MRI can expand its services and reach beyond the Philippines. On the aggressive side of the spectrum, we are taking on these opportunities by forming partnerships with other institutions in the region. With this, we can export our products and services within the ASEAN. Meanwhile, on the protection side, we understand the competition among neighboring countries with advanced technologies. But we have consolidated our resources, staff, and even our members so that this does not overcome us. While we are still relatively new, we have the upper hand in availing the best technology with more affordable prices. We do not have a legacy system that traps us from exploring systems that best suit our needs.

CMIT is in a significant position as CARD MRI pushes for its 5-8-40 strategy. Our institution understands that we can't reach this goal if we keep on using the existing systems that we have. We are organized for the expanse of projects that will come in this 2016. The institution is here to help deliver the projects needed, support existing systems and projects, and deliver efficient and effective services for our clientele.



LEARNING THROUGH INGENUITY AND FORESIGHT

ARLENE UMANDAP AND MARY ANN AMATUS

CARD Mutual Benefit Association

Imagine serving more than two million members, operating nationwide with 72 offices and the volume of data we are handling. Now, imagine how we gathered information and prepared our reports...manually. This was our situation before the CARD MBA System (CMS) – a web-based system created for us by CARD MRI Information Technology (CMIT). It changed the way we operate and handle data.

CARD MBA BEFORE CMS

The institution went through a lengthy and time-consuming process in handling data and preparing the reports required. We operated manually – creating data in Microsoft Excel, sending and receiving files via e-mail, and consolidating it in the main office. There were separate reports for underwriting, accounting, and claims. All records had to be obtained from Provincial Offices. The preparation alone required a lot of time and resources.

When CARD MRI began expanding its reach, CARD MBA felt a dent in its operation. We were stuck in the manual system and we could not keep up with the expansion happening. We knew that the institution needed a lift, an upgrade. CARD MBA needed to change.

THE BIG SWITCH

It was 2008 when the institution began exploring a system that would hasten our processes and allow us to become more effective, efficient, and accurate. Though our initial effort was found unsuitable to our needs, it left us with lessons that became valuable as we explore another system for the institution. We realized the importance of having a “project champion” for this undertaking and the need to have a “vendor” who understands the unique policies and features of CARD MBA.

CMIT became the answer to our questions. The institution fully grasped our needs and considered our operational features in coming up with CMS, an online microinsurance software that has produced great impact in terms of efficiency and effectiveness in CARD MBA's operation.

FELT CHANGES

The overall impacts of CMS are felt in several aspects, including our membership, accounting, and claims. In terms of membership, we now have a centralized MBA membership across CARD MRI, an improved and more accurate data analysis, real-time information for the institution and CARD MRI, increased cost savings, greater security for our data, and increased staff productivity. In terms of accounting, the institution benefits from an automated accounting system, easily checks and monitors transactions in provincial offices, easily prepares and generates reports needed by the management and other institutions, enforces provincial offices to update their daily transactions, and reconciles transactions from both provincial and main offices. In terms of claims, we now have real-time and accurate reports, shorter turnaround time of claims settlement, shorter time in doing reports, saved amount using batch refund, supervised the activities in settlement of pending, approved, or denied claims, and easily determines or monitors the correctness of claims disbursed.

TRUSTED PARTNER

With our more efficient, effective, and accurate processes, CARD MBA is confident that we can keep up with the demands required by the ASEAN Economic Community. By upgrading our system, CARD MBA is equipped and ready to introduce our products and services to the ASEAN region. We are also confident that with CMIT's foresight, our institution will create a new paradigm that is good for our members. CARD MBA is excited with the further developments of CMS and to the future innovations to be introduced by CMIT!

SERVICE BEYOND COMFORT

ROSENDAP. AQUINO, RPh
President and CEO



Even before the introduction of the ASEAN Economic Integration, the pharmaceutical industry has been facing various challenges. Filipino pharmacists would usually opt to work in another country because of higher wages. In the Philippines, pharmacists are seen as mere vendors of over-the-counter medicines.

Pharmacists, however, possess greater duties and responsibilities in the healthcare sector. They are qualified healthcare professionals who can manage drugstores, dispense drugs, give pharmaceutical care and advise customers in proper use of medications. While most pharmacists can only be seen behind the counters of pharmacies, BotiCARD's pharmacists try to bring the pharmacy to the clients. We integrate health advice sessions in center meetings so that questions on medicines from CARD members can be readily answered. This was also found as an effective marketing strategy as most of our clients feel at ease with our pharmacists.

Doing this has challenged the traditional way of marketing medicines by bringing our service to the next level. We do leg works to deliver the medicines to our stakeholders, not only over the counter.

TOGETHER WE GO

This 2015, we have continuously joined the community health day, a medical mission program in partnership with CARD MRI's Microfinance and Health Protection (MaHP) Program. While MaHP provides free medical and dental services, we provide access to discounted medicines to the community. More than bringing quality and affordable medicine, we ensure that our clients are knowledgeable on the use of different medicines

especially antibiotics and maintenance medicines for hypertension, bad cholesterol, and diabetes.

Moreover, we are working on continuous expansions and have opened 14 branches nationwide. The expansion targets more people to cater so that they will also become aware about generic medicine and how to do proper medication with the help of our resident pharmacists. The expansion is also in line with coping up with the ASEAN Integration. More branches will be opened to serve and satisfy more clients and hopefully get their loyalty. With the same mission, we have finally opened a warehouse in Sto. Tomas, Batangas to centralize the medicines of BotiCARD. This aids in our operations because inventory will be a lot easier and BotiCARD now has a place we can call our "base."

WE WANT MORE FOR YOU

With all those initiatives, we still continue to make more innovations to improve our services to our clients. In order for us to sustain our manpower, we will entice applicants with additional staff benefits. We will also offer better assistance to the clients of this institution. In accordance with the efforts of the government to prepare for the ASEAN integration, BotiCARD plans to provide more trainings for the staff, especially the pharmacists and the assistant pharmacist since they are the frontliners of this institution. This will help in achieving the professionalization of the pharmacists and pharmacy assistants so they can give utmost service to our clients and of course to increase their competence and knowledge in the field of pharmacy.

The existing activities combined with the improvement of manpower in terms of their skills and attitude towards work will surely bring higher quality of service to our clients. Rest assured that the activities will be continued and will be improved in the following years to strengthen our cause to bring quality and affordable medicine to the Filipino nation.

BOTICARD



HEARTFELT SERVICE

ROCHALLE CUSTODIO

CARD Bank and BotiCARD client from Quezon Province

CARD gave me more than enough. For four years, I've been with CARD through tough and joyful times. My co-members and I have shared the same sentiments, gratitude and celebrations of life, especially being a mother and a wife. I can never be more grateful to CARD for the continuous support and benefits they are giving us. One of the breakthroughs CARD has introduced to its members is BotiCARD. It made a huge impact not only to me as a member but to the Filipino population at large.

BotiCARD bridges the gap between quality and affordability of healthcare services in the country. It also links quality and affordability to accessibility, which is one of the problems in terms of healthcare services in the Philippine context. For me, BotiCARD is an innovation founded on genuine concern and geared towards genuine care and service for us, the members, and the Filipino community.

HELPING HAND

As a wife and a mother of two, I have to help in providing the needs of our family. I'm currently a sales manager of two different direct selling companies, which is my bread and butter to support our living. My husband, on the other hand, is also into sales for a manufacturing company. We have a stable source of income and we're happy with it but life sure is unpredictable because our eldest son got a hereditary blood disease called thalassemia.

For eight years, my son was suffering from thalassemia and doesn't have the chance to live a normal life. He can't go to school because over-fatigue and stress cause more complications for him. He also has to undergo regular blood transfusions and has maintenance medicine to keep him moving.

Dolores in Quezon province is a small municipality and we don't have much access to big hospitals and pharmacies so we opt to go to the nearest city in our place, San Pablo City, Laguna. We have to go to the city for my son's blood transfusion sessions and check-ups. I am thankful for BotiCARD because they brought relief to us upon putting my son's medicines in their regular stock because of my request. We don't have to travel 12 kilometers just to get my son's medicines. I also buy my parents' medicines from them and all other necessities as long as they have them in stock. That way, we are able to save money, time and effort. This is also our way of helping and patronizing BotiCARD in order to reciprocate all the efforts of CARD to us.

PERSONAL SERVICE

BotiCARD offers cheaper but quality medicine to our community and this sets them apart from other two pharmacies in Dolores. In addition to their affordable medicine, BotiCARD offers 20% discount on their generic medicine for CARD's members, which gives us more savings that we can use for other needs of the family. They also promote over-the-counter medicines and vitamins during center meetings so that we can be informed.

Their store location is very accessible to everyone in Dolores since it is located in the town proper, especially for me because my house is just the opposite of the pharmacy. They also have very accommodating staff who bring their service to a very personal level. I can contact them via mobile phone so I can instantly know if they have the medicine or the goods that I need.

As a loyal client, I think that BotiCARD will still continue to provide our pharmaceutical needs during the implementation of the ASEAN Economic Integration.

With BotiCARD, we always feel that our family's health is always their priority.

TAKING THE LEAP

FLORDELIZAL SARMIENTO

President and CEO



With the current state of the market competition in banking, we are driven to become a stronger and more pliant institution.

While we understand that the integration would mean having stiffer competition, we are more focused on delivering better services to our clients. After all, the very core of our existence is to live our purpose in uplifting the lives of the socioeconomically challenged. We carefully strategized so that we can increase the number of clients we serve. By expanding our reach, we project having a bigger amount of portfolio, thus implying that we have catered to the financial needs of more clients.

Working with microfinance clients entails designing products and services that are tailored fit to their needs. We introduced the Kabuhayan Loan Program that supports the different livelihood activities of our clients this year. While our loans provide an additional capital for our clients, we also want to teach them that saving is also important so that they can better prepare for what's ahead. We have also started selling preferred shares to our clients enabling them to become part-owners of our bank. As we cater mostly to the urban areas, we are also looking forward to the feasibility of having a remittance program and of using ATM machines to facilitate easier transactions. We also plan to make our transactions faster and more efficient for our clients by rolling out our queuing system

nationwide.

TAKING THE EXTRA MILE

We are going places and it was a smooth sail for our institution. We were able to execute our targets based on our five-year development plan. Our clients' numbers jumped from 55,366 in 2014 to 86,914 in 2015. We have also opened three branches in 2015, including our branch in Taguig, which is a milestone for us because the requirements for NCR are higher than other areas in the country.

We have also invested in our human resources through various trainings and education. This year, three of our Area Managers, Oliver Quinay, Frederick Arellano, and Joseph Verano, graduated with Master of Productivity and Quality Management at the Development Academy of the Philippines. As we opened more branches, we were also able to generate employment for more staff. We have also focused on stronger compliance to build a stronger foundation of the whole institution. To be able to lead RBI with excellence as a President and CEO, I also took the Advanced Management Program at Harvard Business School.

Finally, we have recognized the invaluable efforts of our clients to change their lives through the *Pagkilala sa mga Likha ni Inay*. Our winner, Ms. Carmelita Aguilar from SKD-2 Center in Siniloan, Laguna, is the epitome of every RBI member who works hand-in-hand with us in achieving our goal of poverty eradication. She showed exemplary dedication to expand her paper mache business and provide employment to her neighbors. Our clients remain the constant source of our inspiration, enabling us to take the extra mile in every step we take.

RIZAL BANK, INC.



PAGES OF SUCCESS

CARMELITA AGUILAR

RBI member

With skills and determination, we decided to open our new business. But a business cannot operate with no capital. This made me decide to join CARD, Inc.. I invested my initial P5,000 loan to our paper mache business. As the business easily grew, we needed more funds. It was perfect timing that CARD, Inc. was offering a new product, which is the Small Business Loan (SBL). Availing SBL gave me the additional funds I needed for the business. In December 2014, I was transitioned from CARD, Inc. to Rizal Bank, Inc. (RBI).

With the growing demand for our product and the influx of capital from RBI, we grew exponentially to 130 employees during peak season and more than 60 people during regular season in just six years of being in the paper mache industry. With our exceptional technique in production, our products are now of export quality and reach one of the most developed countries in the world, the United States of America. We produce items resulting to one to two loads of jeepney amounting to 100,000 pesos (gross) per jeepney on the average per week. During peak season, it can go up to three jeepney-loads.

THE ASEAN INTEGRATION

I can see opportunities with the onset of the ASEAN Integration, especially to us who are in the export industry. Lower taxes would mean higher income for us and our workers. We can also have the opportunity to export our products to our neighboring countries, especially to the ASEAN. In terms of competition, I don't see harmful effects on industries like ours, at least in my business. I know that my products' quality can compete with other international products. With our current production load, I am confident that we can provide more to cater to other clients. We take pressure as a challenge and

room for growth and expansion. More clients will create more jobs and income to the people of Pakil, Laguna and hopefully uplift the quality of life of the workers.

COMPASSIONATE HEARTS

As workers years back, we understand that the income of our workers is not enough so we help them as much as we could by giving the maximum salary that our business can cover.

We treat them the same way CARD treats us, as members and as family. We are always being compassionate to them that whenever we feel they need money, we give them cash advances. Sometimes if we see that their income for the day is way smaller than the usual, we give them rice so they can put enough food on the table. We also help during emergencies by giving money or taking them to the hospital with our own vehicle. Once a year, we hold summer and thanksgiving parties to enrich the bond with them. We want to impart to them that we will help them without asking anything in return because that's how RBI treated us.

During center meetings, they give us Credit with Education on relevant topics like financial literacy and health. I take them seriously and I am really grateful because they are applicable in my daily life. We built a simple center house for our center here in Pakil to give back to the support RBI has given us.

RBI has taught us to dream bigger to help more families in our community. We are continuously striving to expand and have bigger operations to help people who are now dependent on our business. The livelihood we are giving to the people is a blessing to us because we feel that we are part of their success.

SMOOTH SAILING

JOCELYN D. DEQUITO

President



Our advocacy to bring quality education to the Filipino youth has always been anchored on our values. This year, we have focused on helping schools provide the needs of the students especially on their need for educational technology, thus, helping them provide higher quality of education to their students. One of the main technologies we provide is electronic books (e-books) and it is seen as an effective tool to enhance the learning of the students. We also help them in improving their facilities, and equipment to promote a more learning-conducive environment for the students. Moreover, we have also provided microfinance services to other international institutions whose main functions are attached on solidarity and empowerment. Truly, our desire to help the organizations especially those in the education sector has been our motivation to pursue our endeavors.

WE'RE SOARING

It has been our second year in CARD MRI and we are very proud that we soared this year. We have also set good partnerships with different accredited organizations and made our strategy more effective and efficient. Our existing walk-in strategy and school referrals increased our number of clients. We have also ventured to wholesale loans this year wherein we provided monetary loans instead of technological resources. As much as we could, we tailor our services to fit our clients' needs.

The ASEAN INTEGRATION PHENOMENON

With the commencement of the ASEAN Integration, financing and leasing institutions like RISE are directly affected. There is a gradual removal of the restrictions between ASEAN financing institutions, which makes room for more liberty of capital flow and financial services. This also makes room for more players in the market making a more complex competition.

With the influx of competition brought by the ASEAN integration, continuous trainings are given to our staff for their growth and competency-building so they can give a higher quality of service to our clients. I believe that stronger competition calls for further expansion and one of our action plans to expand is to increase our funding through the immediate disposal of recovered properties. Increased funding will enable us to serve more clients especially schools, which are the main clients of RISE at the moment.

We, in RISE, will help in the 5-8-40 goal through strengthening our mandate to help and support local, national and international organizations and institutions. We are also pursuing our cause to help the education sector by helping more clients improve their status so that the youth can get higher quality of education. We believe that education is the key to open the minds of the youth to become productive citizens and further help in our nation building.

RISE FINANCING COMPANY



REACHING THE SKIES

DR. AURORA SAMSON-REYNA

*University of Luzon VP for Academic Affairs
from Dagupan City*

Change is inevitable because the world itself changes. Everything strives for continuous and dynamic change geared towards development. I consider University of Luzon as one of the premier universities in Region 1 because of its outstanding performance for 68 years. We work with passion and excellence and have achieved different forms of recognition. We are a Center of Excellence in both Criminology and Education, and some of our colleges have achieved level IV in terms of accreditation.

But we do not stop here. We want more for our students and bringing a higher form and quality of education to them is our mandate. One of our ways to step the game up is to comply with the requirements set by the Commission on Higher Education (CHED). Compliance costs is one of the challenges that most development institutions face and we are not an exemption.

Rising up to the challenge, we walked with our heads up with RISE. I am very much grateful that RISE was able to provide leasing services to us with reasonable interest. Compared to other financing and leasing institutions which only provide computers, RISE tailor-fit their services to their clients and was able to provide what we really need. We were able to purchase a Universal Testing Machine (UTM) for our Civil Engineering students amounting to 2,111,484.43 in October 2013.

We have also acquired seven Audio-Visual (AV) equipment, also in October 2013, which amounts to 479,360.00. These are now being used by students from different fields of study, namely: AB Communication, AB English, Political Science, AB Psychology, AB Social Work, BS Journalism and BS Public Administration in the College of Liberal Arts.

The UTM and AV equipment have been operating for two years now and are seen as highly effective tools on imparting practical knowledge to our students. We, in University of Luzon, believe that a higher form of learning comes with proper application of the theoretical concepts and this has been validated by our graduates. They became professionals in their own fields and continue to thrive with excellence.

CHALLENGE ACCEPTED

The arrival of the ASEAN integration has brought the country a wide range of possibilities. On one hand, I see a lot of opportunities for our institution and for our students. It can give a global perspective to our students so they can see more beyond the borders of the Philippines while still being locally rooted. There is also more room for opportunities to grow for our students, faculty and staff.

On the other hand, the integration also brought the competition among ASEAN member-countries at hype. This influx of competition has challenged us to push our limits and be more especially in terms of enhancing our curriculum, facilities and manpower. Our accreditations are steps in preparation for the challenges we are currently facing. Upon realizing these efforts, we, at the University of Luzon, are confident because RISE will be there to accompany us in this journey.

I am very happy that RISE became our partner in bringing quality education anchored on skills and values to our students. I am also looking forward for more projects and a long-term relationship with RISE because with them by our side, I know we can uplift the current status of our educational system and bring a higher form of education to the Filipino youth.

THRIVING IN UNCHARTED TERRITORIES

GERIC G. LAUDE

President and CEO



By understanding the purpose and impact of the ASEAN Economic Community, our institution can develop better products and services, create the best client value proposition, and embrace technological innovations that can shape the lives of more than 600 million people in the region. This creates tremendous opportunity for a company with CPMI's market position as far as non-life microinsurance is concerned.

PIONEERING THE WAY

In 2015, we remain at the forefront of providing non-life microinsurance to Filipinos and fulfilling the gaps present in the market. A lot of what we did this year is to catapult ourselves in a better situation compared to the previous one. Since we retired CaMIA PAID Plan, CPMI introduced SAGIP, CARD Care, Kabuklod, MediCash Leptospirosis and Dengue, and NegoSure. These products allowed us to cover 652,572 lives this year.

Another exciting development is the continuation of our mobile selling project. We started this more than two years ago but we kept on pushing the envelope in order to remain ahead of the pack. The institution is embracing technology as a response to the capabilities we need to create if we want to stay relevant all the time. We expectedly faced a number of challenges in its implementation, but this is something that we continue to address, believing that there is no better alternative in our effort to handle and use data efficiently and effectively. Further, we can give more value to clients and anticipate their needs even before they think of them.

EXPANDING OUR FOOTPRINT

At the tail end of 2015, we have started to include other markets aside from the CARD MRI network and serve the requirement of the bigger market. Our initial efforts during the latter half of the year will ensure that we have gained momentum in marketing outside CARD. We are confident that this move will play a significant role in CARD MRI's 5-8-40 strategy. With our current reach of clients, imagine what we can do as we move out of our network and expand our footprint in uncharted territories. This will require us to embrace automation, align our processes, and focus on one commonly denied aspect – people.

In order for this technology-driven program to succeed, we need to pay attention to our people as well. While most people mistakenly label technology as an overnight savior, we have to remember that technology is a by-product of imagination. The users must be prepared to adjust and adapt to these changes, which may be uncomfortable at first. However, we must do this if we want to remain ahead of ourselves. It will take a different kind of team and mindset if we want to retain our space in the market.

REMAINING AHEAD

We know that consumers have choices. That's why we do our best to deliver unique customer value propositions through our products, services, and processes. As we take part in the ASEAN Economic Community, the market will be won over by companies who have better tools and capabilities. CPMI's localized processes allow us to be in a good position to compete but we need a better "buy in" if we want to win and keep our clients. The institution will continue to thrive in an emerging new world because of a differentiated strategy, strong customer-centric approaches, passionate partners, and committed employees.



REAPING BIGGER REWARDS

VIOLETA AQUINO

CPMI Microinsurance Agent from Laguna

After a typhoon hit our province, I received a lot of “thank you” messages from relatives, friends, neighbors, and random people who availed SAGIP Plan from me. According to them, they were able to process their claims quickly, which made a tough time bearable. It is during times like these when I truly feel my purpose. For me, it is not just about making sales or hitting my quota. It is about helping people and changing their lives even in the smallest way possible.

AN UNEXPECTED CHANGE

Looking back, I never thought that I am capable of doing something like this. Ten years ago, I was a typical entrepreneur with a small sari-sari store and a buy-and-sell business. My life changed when my aunt convinced me to join CARD, Inc. and to form a group of women. I was hesitant at first because I did not want any complication in my life. However, my aunt was persistent. I gave in and asked my relatives and friends to join me in forming a group. I was elected as center chief and little did I know that it was the beginning of something life-altering for me, my family, and even my community.

Our small group of 10 suddenly grew. Eventually, we were divided into three groups. As we went through this period of growth, I became more attached to the organization. I met new people, learned new things, and found many opportunities. The hesitation faded and gave way to excitement. What I was trying to stay away from became something that I look forward to.

ME ONLY BETTER

Perhaps it was my enthusiasm that got me elected as a CARD MBA Coordinator. With every training and conference that I attended, I felt more confident and empowered. It was like getting to know a part of me I did not even think existed. Our

performances were evaluated and I was informed that I qualify as a Microinsurance Coordinator (MIC). Years ago, I would have dismissed the idea and said no. But the new me saw this as an opportunity to grow and be more. I meet my quota not because of the sugarcoated pitches I make but because I personally believe in the product. I also respect our institution, CARD Pioneer Microinsurance, Inc. (CPMI), for believing in us and helping us understand the products, services, and processes of the company.

An important matter that we discussed this year is the ASEAN Economic Community. Honestly, I did not know anything about it until CPMI introduced the concept to us. The free exchange of products, human resources, and capital is going to present opportunities and challenges for us. Now, I understand why the institution continuously prepares the MICs and staff and improves the products we offer to the people. Despite the initial obstacles, I also recognize why we need to embrace the mobile selling of insurance products. I hope that the institution will find ways to make the process easier for us.

INCOMPARABLE RETURNS

Since I joined the institution, I have experienced financial and personal growth that I never thought I could achieve. I was able to expand my sari-sari store and my buy-and-sell business. Our house also went through a major renovation made possible by my loans and savings. But more importantly, I gained self-confidence, met new friends, honed my skills, and helped many people along the way. Difficult situations are made bearable by the messages of gratitude I received. That, I believe, is the incomparable rewards that I keep on reaping because of what I do.

CREATING PATHWAYS TO OPPORTUNITIES

JULIUS ADRIAN R. ALIP

President and CEO

CARD-BDSFI, CARD LFC and Mga Likha ni Inay, Inc.



At CARD-Business Development Services Foundation, Inc., we know that our success as an institution is linked to the success of our clients and the social impact we create. We have always believed that building a boundless, enduring business requires being performance-driven through the lens of the people we serve.

CHALLENGING THE STATUS QUO

The trend today is globalization and integration of economies. In order to flourish during these times, we need innovative thinking and new solutions. These require us to modify how we do things. In order to do so, we have to take bold steps to produce relevant results in the future.

In 2015, we started concentrating on product development to make the products of our clients more acceptable to the standards of the market. CARD-BDSFI, through its client-producers, started to expand from three to six Muscovado production facilities that are all acceptable to Food and Drug Administration (FDA) standards. The expansion effort would help in providing consistent supply and meeting the growing demand of the stores and supermarkets being served by Mga Likha ni Inay, an off-shoot brand from CARD-BDSFI. In addition, CARD-BDSFI is also looking at micro franchising as a tool in expanding this program.

In cooperation with CARD-MRI Development Institute, we conducted series of trainings that helped the Nanays embrace the concept of AEC. We are confident that the trainings we introduced helped our Nanays see the value of raising the standards and challenging the status quo.

PARTNERSHIPS

We entered the initial phase of exporting through the assistance of our partner exporter, GEM Foods. CARD-BDSFI facilitated the link between the micro producers and the partner exporter. Selected products such as coco jam and atchara were sampled and exported to New Zealand. During the process, our team and the microentrepreneur clients learned the potential and value of our products - what is needed for improvement and how can we make our processes more efficient and cost-effective in order to get repeat orders from the export market.

EQUITY INVESTMENTS

As of December 2015, Rags to Riches (R2R) assists 161 home based artisans and directly employs 50 workshop artisans and sales ambassadors. For this year, R2R had sales of Php15.6 million. This social enterprise had prepared prior to the AEC by continuously creating distinctive fashionable branded products that are known in local and international market.

This year is also an eventful one for Hapinoy as we finally covered our cost of operations and generated a few profits. Hapinoy is also readying Sari-Sari Store Nanays for the AEC by focusing on financial inclusion through e-commerce and mobile financial services. As more organized foreign retail chain gets into the Philippine market, it has pushed us to refocus on our new business model. In addition to the regular business of typical stores like selling grocery items, Hapinoy is now setting up stores that are capable of providing financial services and e-commerce services such as remittance, airtime credits, bills payment, and online selling of selected appliances as part of the new business model. Hapinoy also envisions selling products made by CARD and MLNI communities on its e-commerce platform.

By streamlining our activities and refocusing our objectives, we are propelling quality and effectiveness. In turn, we increase our impact to society and encourage other social entrepreneurs to be part of CARD MRI. This is how CARD-BDSFI intends to help our organization in the "5-8-40" strategy and we are working intensely to make sure that we will deliver.

CARD-BDSFI

FUELLING SHARED PROSPERITY

Energy is a massive issue that requires a sense of urgency among all of us. Energy is imperative as we push for equitable growth and development. Without energy, we cannot optimize the myriad of opportunities that are waiting for our nation.

CARD LFC supports the rural electrification and climate change agenda of the Philippines through the promotion of practical, cost-effective, and environment-friendly solutions for off-the-grid areas and other urban communities.

Being an off-shoot of CARD Business Development Service Foundation, Inc. (CARD-BDSFI), we continue their mission to fight energy poverty by providing communities with access to micro renewable energy products. In a span of three years, CARD-BDSFI distributed 16,000 solar and energy efficient products. This year, we have continued to contribute to that mission by distributing 300 units of PICO Solar to off-the-grid communities from Abra to Agusan Del Sur. We will continue to grow that number for our mission to be fulfilled.

As we move from micro to MSME financing, some of our portfolio highlights for this year includes financing SMEs that are engaged in Social and Environmental Entrepreneurship in Visayas and Mindanao. We financed an SME in Cebu that constructs safe drinking water facilities for depressed communities. This client also provides solar powering of communities with no access to electricity and upgrading the standards of farming by creating communal solar-based irrigation systems. Meanwhile, we financed an SME client that consolidates feed stocks from small holder farmers in Mindanao then sells them to Biogas Plant Operators.

STAYING TRUE TO OUR WORD

CARD LFC continues to keep its promise of providing our clients with the highest quality but affordable leasing and financing services. We are happy to see that CARD MRI staff like account officers, administration officers, and unit managers, who we call frontliners for social change continue to patronize our services.

Despite our move this year to finance higher loans, we stayed true to our mission of prioritizing mission-oriented SMEs and social entrepreneurs. This is challenging for us but this kind of work and portfolio inspire us to get up every day and work even harder.

EVOLVING OUR BUSINESS

As the demand for innovative, reliable, and secure financial services continues to grow, CLFC strives to deliver value to our clients. Our success depends on responding to the changing needs of our clients, cost effective service delivery aided by technology and staying true to our mission. The foundations of our long-term sustainability are deeply rooted upon our guiding mission, wisdom provided by our Board of Directors, product innovation, and effective execution beneficial to all stakeholders.

CELEBRATING THE FILIPINO ARTISTRY

The realization of MLNI's business model was a pivotal point for us this year. Finally, we have defined our directions, which will lead our niche in the market – a significant step as we stride towards the AEC. After the MLNI branding workshop, we saw the need to rationalize our program so that we can focus, prioritize and dedicate our efforts to products that are aligned towards our objectives while we are still building the business model as well as the brand of "MLNI retail business."

Our mission is to bridge our clients to the mainstream market. However, we realized that this could not be done unless their products meet market standards. Through the CARD-BDSFI product development efforts, we help our clients improve their products to reach their full potential. With quality products, our clients can reach long-term sustainability.

While our other clients are on their way towards developing products that are accepted by the standards of the mainstream market, we decided that it would be more strategic for our brand to focus on one common theme: affordable Filipino pasalubong, which is a result of our branding workshop.

This year, we evaluated products that are more acceptable in the market. We plan to continue this business model and the product theme we identified before moving to the next products and business model. It is important for us to take it one step at a time and make one project or business model sustainable first before we move forward and expand.





KEEPING UP WITH THE CHALLENGES

As we get to know MLNI better, we are often confronted with the many facets of change. The reorganization of our programs meant freezing some of the existing ones. It was not easy but we know that we need to do the right thing. We want to make sure that our core is strong before we explore the vast options that are given to us.

Our group has also extended the concept of branding to the Nanays. No matter how difficult the concept is, we are doing our best to bring the idea to their level. We see this as an essential component that our members need to embrace if they want their businesses to be viable and sustainable. To emerge as winners during the AEC, one must strive to move up the value chain and create a solid brand that will endure in a tougher and more competitive situation.

MAGNIFYING OUR STRENGTHS

This year, we have cumulatively assisted 740 micro producers through our retail and distribution business. We have four retail stores located in San Pablo City and General Santos City while for our distribution outlets, selected MLNI products can be seen in 40 LCC Stores all over the Bicol Region, six Lianas Supermarket and 10 Robinson's Supermarket in CALABARZON. Additionally, MLNI continuously trades with Red Logo, Kultura and selected stores in CALABARZON.

While we are freezing some programs at the moment, it does not mean that we are letting them go. We are just building our niche one at a time and capitalizing our collective strengths. By doing this, MLNI is upholding its adamant commitment to exceptional quality and ensuring that we remain a staunch organization in the years to come.



HANDMADE SUCCESS

MARILYN TORDECILLA

CARD Bank, Inc. member and CARD-BDSFI-assisted client for product development from Quezon Province

I was a worker in a community livelihood group for seven years before I became its leader in 2010. The group's main mission is to create handmade products like fans and wallets, which are being sold in Quezon Province and other places in the country. I was active in the group so it became close to my heart but because of certain misunderstandings, I left my position in 2014. Although I left the group, I took my experiences of creating handicrafts with me and managed to have a good relationship with the group. Those experiences helped me in creating my own business in 2014.

ENTERING A BIGGER MARKET

Back then, there were only four of us who were producing the fans. We had a small production because we do not have enough market to sell the products. Then came 2015 when a staff of CARD introduced our products to Mga Likha ni Inay. Through the product development program of CARD-BDSFI, they helped me improve my product in order to reach higher market standards.

My sales drastically increased because MLNI already has base markets and wide networks. With the increase of demands for the product, my employees jumped from four to more than 10 people. I even outsource some of the products from my former group when the demand is at its peak. I am very grateful for this opportunity to expand because my business' success is not only for me but for my employees and their families. I'm very glad that I am able to provide livelihood to the people of Agdangan, Quezon.

SHARING THE CARD EXPERIENCE

I was also able to share the benefits of CARD to my employees because most of them are now members of CARD. They are now enjoying the benefits of being a CARD member and

hopefully, this can also be the way for them to have better standards of living.

I became a member of CARD when it was still an NGO. For 13 years, I am very loyal to CARD because of their outstanding services and genuine care for their members. Because of CARD, we enjoy the benefits of insurance, savings, and trainings on business management.

CARD helped me in various ways especially in providing quality education to my children. Providing all the needs of my children was hard but with the continuous help and support of CARD, two of my three children have now finished their college education.

As I am also a stockholder of CARD, I am also thankful that I get annual dividend from my shares and special gifts.

THE ASEAN INTEGRATION

I acknowledge that there will be challenges ahead of us in the ASEAN Integration. But I am grateful that CARD-BDSFI has trained us to be competitive with other businesses in the market. I believe that our products are of higher standards and will be well accepted in the region.

At the moment, I am confident that my products will survive the competition because quality and design have always been my priorities. But with higher standards set, I trust that CARD-BDSFI can help microentrepreneurs like me through more trainings and seminars. With CARD-BDSFI, I know that I can adapt and I can play the new game of competition that is presented to me.



BRIGHTER THAN THE SUN

ALVIN URGEL

CARD LFC Client from Cebu

I started my business, Physics Research, in 2000 with 150,000 pesos from my savings. For 15 years, I ran the business just with my initial capital. We did not see the need for financial assistance until we realized that providing solar power is seasonal and may not ensure a smooth cash flow. Offering only one product could not sustain the number of regular manpower that we employ for the business. From the idea that water will always be a basic need for everyone, we then ventured into supplying water systems to villages.

However, the challenge in venturing into this service is that we are required to have a bigger capital to take on bigger projects. We need finances to purchase raw materials and to cover other operational costs. Knowing that CARD LFC also promotes green energy, we came to them for support.

The financing services of CARD LFC suits the nature of our business. CARD LFC's reasonable interest rate and loan terms fits the duration of our projects, which is usually three months. With an increase in our funds, we were also able to increase our project capacity. Before, we can just take two million worth of projects, but now, we are able to take more.

Our projects usually require about 60% of funds on the first day, which means we need the bulk of money right away. CARD LFC was able to cover this and allowed us to make significant progress in a shorter period of time, thus also making our clients happy and satisfied. With this, we are also able to deliver faster and able to complete the project on time.

We are also grateful that unlike other mainstream financing companies, CARD LFC banks on the potential of businesses rather

than requiring complicated and numerous documentations. We were only asked to present our income statement and purchase orders from our projects. By experience, our transactions with CARD LFC are always fast and customer-friendly. Given these conditions, they truly helped us in expanding the business, thus we can bring our services to more clients. Providing more services to more clients also means we can also provide employment to more people. Now, we have expanded in terms of manpower, from eight to 39.

THE ASEAN INTEGRATION PHENOMENON

With the introduction of this new partnership among ASEAN nations, I think our company faces both opportunities and challenges. I am positive that with this, more investors will come to the country and that would mean more capital and more projects for us. With proper methods and techniques, we can have the opportunity to work in ASEAN member countries and have an Asia-wide coverage.

On the other hand, we also need to prepare for challenges that may arise. There is a foreseen influx of competition and this challenge us to be more technically, financially and operationally efficient. We should enhance our knowledge especially in terms of necessary linkages and routes, and diversify our techniques in order to comply and conform to the ASEAN standards, thus, pass their accreditation.

With that being said, we believe that CARD LFC can further help us by providing seminars about ASEAN integration so we will be informed on the "whats" and "hows" of the integration. They can also help us in bridging the gap of information access from a provincial to international level of accreditation and standards. And of course, they can further help us through possible funding for upgrading the tools we are using currently.



MAKING THE BETTER CHOICE

RAQUELLANABAN

*CARD Bank, Inc. member and MLNI-assisted client
from Davao City*

I have heard of CARD a long time ago but I only became a member in 2010. My sister is one of the pioneering members of CARD in our barangay. When I returned from my work abroad, my sister and my neighbors invited me to join CARD. At first, I was doubtful of microfinance institutions. But when I learned of the benefits CARD offers, I became an instant believer.

A week after I became a member, our center decided to split into two. I was then elected as the center chief for the new center. Like my sister, I found myself recruiting other women to join CARD. From the original ten members, our center has 37 members now.

AN ANSWERED PRAYER

I asked God for guidance in prayer. I need to earn money but I do not want to work abroad again. Just like an answered prayer, God gave me this idea: a lot of people are making money and they need something to place their money in. That's when I thought about making paper wallets.

I tried to make one wallet from some remnants of cloths and chipboard. Then, I showed it to an experienced wallet maker in our village. Much to my delight, she thought that my creation was already good for selling. She encouraged me to start making paper wallets.

At first, I was very slow in sewing. But I knew that time will come that I will improve my skills so that my production will become faster. I did my best to produce 600 pieces everyday together with four people I hired to help me. Our hard work eventually paid off. According to our customers, my wallet design is very comfortable to use.

I am now a regular supplier in a popular shopping center in Davao City. My products are also being distributed to Manila, Zamboanga, Cebu, Cagayan de Oro, Boracay, Palawan, Tuguegarao, Tagaytay, and Baguio.

BECOMING THE COUNTRY'S PRIDE

Most of the CARD MRI staff who visit Davao order paper wallets from me. This is how Mga Likha ni Inay (MLNI) came to know my products. Because of its quality and design, MLNI ordered 5,000 pieces of paper wallets to be sold in their outlets nationwide.

MLNI's order helped increase our income. We were able to purchase another high speed sewing machine. We also bought new furniture for our home.

I also had the opportunity to join the MLNI Summit in Tagum, Davao del Norte. Through the talks given by the resource persons in the seminars, we were taught on how to improve our businesses. I also got a good grasp of how the ASEAN Integration works and how it will affect microentrepreneurs like me. I was inspired to further improve my products so that when the ASEAN Economic Community is in full implementation, my paper wallets can be one of our country's pride.

MY CHALLENGE TO OFWs

I feel grateful that from being an OFW, I got the chance to restart my life in my own country. With the help of Mga Likha ni Inay, my handworks are being purchased and appreciated by Filipinos and foreign tourists alike. I earn enough money to support my family and I don't have to be away from them. To OFWs, this could be your life, too. Remember that every new day brings you hope to turn your life around. I'm happy that when my day of hope arrived, I chose to grab it with both hands.

SUPPORTING THE PURPOSE

DEVERNADT.BRIONES

Senior Director



Our strength as the Support Group for the overall operations of CARD MRI lies in the unique and effective model that we have been implementing for years. Having the function of oversight gives us the objectivity to see the larger picture for the institutions. Here, we can recommend policies and regulations that will enable the 14 institutions of CARD MRI to grow and improve.

This strength is also our advantage for the integration of ASEAN economies. We act as the spine that provides the central support and connects the different functions of the CARD system.

PREPARING THE WAY

It is important for our management and staff to be aware of the implications of the ASEAN Economic Community. In-house orientations were conducted especially during management meetings. Our staff were also able to attend a symposium conducted by an external organization to clarify the general requirements of the ASEAN Integration for human resource.

While the ASEAN Economic Community will drive employers to follow specific qualifications for different professions, CARD MRI will maintain its standards for our job applicants. Our profiling reveals that most of the employees who choose to work for us are also those who came from the grassroots level. Most of our

employees are children or relatives of our own members, our scholars, and other individuals who want to contribute in the development of the country.

This is the reason why we are not afraid to face the integration. We are confident that our mission of poverty eradication is the reason that keeps our employees grounded; our mission is a motivating factor for them to be deeply engaged in their work. In return of their loyalty, we make efforts in ensuring that all our employees have a career path to follow. Opportunities for career growth abound for current and potential employees not only in our NGO and banks, but also in our other institutions specializing in insurance, education, marketing, business development, financing, and information technology.

We also prepare our management team through a succession plan program. Key leaders of CARD MRI were sent to prominent schools like Asian Institute of Management, Harvard Business School, University of New Hampshire and Wharton University to attend advance management programs.

CREATING IMPACT

CARD MRI won't stop doing what it does until poverty is completely eradicated in the country. Our model is to continuously expand to areas, especially to the unbanked and underserved. Wherever our operations go, the Support Group goes. We provide the support our institutions need in terms of organizational and administration (O and A), security, human resource, and corporate legal.

SUPPORT GROUP

We recognize that delivering the best service to our clients entails investing in formal education and necessary trainings for our workforce. We developed a policy that requires all staff and management of CARD MRI to attend knowledge, skills and attitude enhancement trainings, with the help of CARD-MRI Development Institute, Inc.

The O and A unit ensures that our offices and branches are located in strategic areas so that we can provide easy access to those who need our services. As the unit handles the centralized supplies management and property acquisition, we make our processes efficient so that we can meet the demands of our offices nationwide.

Meanwhile, the Corporate Legal Unit continues to act as a guardian that ensures that our institutions operate legally. At the same time, the Security Unit guarantees the safety and protection of our members, workforce and properties.

OUR ANSWER TO THE CALL

Before the 5-8-40 strategy was introduced in December 2015, we have already been preparing plans to help contribute in CARD MRI's new goals. Our role, especially in the recruitment of new staff, plays a crucial role in this expansion plan. We re-assessed our targets for recruitment so that we can meet the requirements of all the institutions.

We launched our computerized hiring system in 2015 and we are hoping to fully utilize it by mid-2016. Making use of technologies such as this will definitely help us in improving our systems and procedures.

The Support Group will continue to serve our institutions in the best way we can. By enabling and empowering our institutions, we know that we also serve our purpose of providing service for the poor.



RETHINKING DEVELOPMENT

MARILYN MAGAMPON-MANILA
Director



Many institutions gear up to compete against players of their respective industries. While CARD MRI is prepared for the stiff competition that comes with the ASEAN Economic Community, we are more focused on how to maintain the quality and impact of our programs and services at a larger scale. Some financial institutions will go as far as lowering the price of their services to attract more clients. In our case, we will continue offering our services with reasonable rates. By keeping our rates, we are able to provide more sustainable and more tailored programs and services.

BREAKING THE CYCLE OF POVERTY

The Resource Mobilization Unit (RMU) is strengthening its capabilities to allow more collaboration. We are currently working out a partnership with the Aboitiz Foundation and eyeing 30 more cooperatives for technical assistance. Because of the ASEAN Integration, we are determined to partner more aggressively with like-minded individuals and organizations.

RMU conceptualized the “One Family, One Graduate” Program to ensure that at least one member of a family can finish their education. This can be done through the scholarship programs, educational loan products, and support to schooling or internship offered by CARD MRI. We have also allowed students, whose scholarships were cancelled due to pregnancy or financial difficulty, to retain their scholarships. These moves will help the next generation become more competitive in society. A

degree will elevate the chances of getting employed and a job that will put food on the table. We are slowly breaking the cycle of poverty.

Our group is also gearing for the Zero Dropout Program for ARMM communities. We have started introducing the education programs offered by CARD-MRI Development Institute (CMDI) to our members. Our subsequent steps forward are directed towards developing the next class of population and investing in the younger generation, specifically the rural poor, to promote equality and inclusiveness.

PROMOTING A HEALTHY NATION

The members of the ASEAN Economic Community tackle the same concerns in the area of health. The integration is beneficial for us as we open more opportunities to exchange research results and other collective efforts to deal with health-related concerns in the region. This is essential as we head towards an inclusive, sustained, and resilient growth. For development to take place, nations need healthy people who can contribute to society.

The Microfinance and Health Protection (MAHP) Program of CARD MRI has a system in place that can be shared to other microfinance institutions in the ASEAN community. Our programs and services are created to promote a healthier nation and transform the way health services are delivered. This year, our “Healthy Mothers, Healthy Babies: Kalinga kay Inay” Project traveled across seven provinces to conduct primary healthcare to more than 8,000 women of childbearing age. Through the health caravan, we are able to educate almost 800,000 women regarding reproductive health and pregnancy and debunk myths regarding these matters. The program is stirring impact in maternal mortality and is reaching out to communities that have limited or no access to health programs. This year, we also conducted 15 Community Health

COMMUNITY DEVELOPMENT GROUP

Days in 14 municipalities. A total of 8,988 community members were given basic services such as free medical consultation for pregnant women and women of child-bearing age.

GROWING BEYOND THE BORDER

The CARD MRI OFW Foundation Hong Kong is actively addressing the needs of our Filipino workers in terms of financial literacy. This year, we conducted seven batches of Financial Literacy workshops and continuously enhance the modules on Entrepreneurship and Training of Trainers (ToT). We have also developed 12 more additional trainers, who became our frontliners in proliferating financial literacy. Less than 300 OFWs attended “The Negosyo Talk” conducted by CARD SME Bank last November 2015. Our OFW participants learned about how to manage their finances once they decide to reintegrate in the Philippines and start a business. We invited two of our clients to give an inspirational talk about their success. A Lakbay-Aral for Hong Kong-based media also took place in August 2015 to give our media partners a better understanding of our program.

DEVELOPMENT IN FULL CIRCLE

The Community Development Group aims to implement programs that encompass the non-financial needs of our clients and help our members and their families become well-rounded individuals. Through the Corporate Communications (CorpComm) Unit, we provided our clients with unique and exciting programs for their growth and development.

The Hijos de San Pablo Tour enhances the cultural attachment of our clients to their roots. We believe that the more grounded our clients are to their roots, the more they will become well-rounded individuals. The historical tour is also being replicated in Samar and Leyte, which is called Hijos de Visayas.



Recognizing the musical, theatrical, and dancing talents of our clients and their families, we also formed a performing arts group that specializes on cultural performances. By honing the talents of the members of the group, we are preparing them for a future filled with more opportunities. The group performs in the Hijos de San Pablo Tour and other corporate events of CARD MRI.

The CorpComm Unit also utilized different platforms of communications to inform and educate our clients. By releasing development-oriented press releases to our 109 media partners, we have saved more than P6.44 million in paid advertising the past year. Sulong, our official newspaper that compiles stories about our programs and clients, has also generated positive responses from our clients.

We also realized the need to explore changes in our programs this year. The changing times led us to recognize the need for social media to reach out to our stakeholders and introduce CARD MRI's programs and services. As more people turn to social media to stay connected and consume information, we plan to optimize this platform to get our vision and mission across and share our programs and services to local and international audience.

REINFORCING CARD MRI'S STANCE

The defining challenge of our era is to shift to new models of development. While CARD MRI has embraced a new paradigm, we continuously dare ourselves to ensure that growth will be inclusive and sustainable and that our members and their families are resilient. The Community Development Group, through our programs intended for holistic growth, reinforces CARD MRI's stance in eradicating poverty that simultaneously reduces inequality and exclusion.



OUR MANAGEMENT COMMITTEE

CARD, Inc.

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 Juliana de Leon, Senior Operations Director
 Jenahlyn Biel, Operations Director
 Alvin Villamena, Operations Director
 Diomedes Alvarez, Operations Director
 Samuel Tumbado, Operations Director
 Lousel Cortes, Deputy Director for Finance
 Josef Leron, Deputy Director for Compliance
 Lorelei Alvero, Senior Program Manager
 Vladimer Sanchez, Senior Regional Director
 David Burgos, Senior Regional Director
 Gerardo Garcia, Senior Regional Director
 Dondon Mercado, Regional Director
 Louie Silvestre, Operations Director
 Rodel Bombase, Regional Director
 Ma. Ana Toledo, Regional Director
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 Alexis Garcia, Regional Director
 Marina Aranilla Sepillo, Regional Director
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 Juvy Ocate, Regional Director
 Welland Sales, Regional Director
 Daisy Caballero, Regional Director
 Edlyn Villajuan, Regional Director
 Aldrin Mendoza, Regional Director

CARD Bank, Inc.

Marissa de Mesa, Senior Vice President for Risk
 Glenda Magpantay, AVP-Operations
 Gaudencio Mendoza, AVP-Operations
 Ronnie Fallega, Chief Information Officer
 Herminigilda Manuba, AVP-Operations
 Erasto Panes, AVP-Operation
 Rowena Galarde, AVP-Finance and Accounting
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 Fundard Buncaras, Regional Director
 Baby Analyn Malaborbor, Regional Director
 Domingo Romasanta, Jr., Regional Director
 Rizaline Manalo, Regional Director
 Raquel Zaragoza, Regional Director
 Clarita Mercado, Regional Director
 Marissa Escalona, Regional Director
 Geralyn Macasinag, Regional Director





Glenda Castronuevo, Regional Director
 Jessica Dichoso, Regional Director
 Wilma Laurio, Regional Director
 Juanito Dela Cueva, Regional Director

CARD MBA

Janet Caneo, Deputy Director for Admin & Finance
 Arlene Umandap, Senior Program Manager
 Oliver Reyes, Deputy Director for Operations

CMDI

Neil Polinag, Training Director
 Feliciano Blanco, Deputy Director for Training
 Carissa Monina Ramirez, Deputy Director for Training
 Christian Albert Sandoval, Deputy Director for Training
 Glenda Lagarile, Deputy Director for DEPE

CARD SME Bank

Anna Lorraine Maur, AVP-Finance
 Cherry Boncajes, AVP-Operations
 Dennis Dimaculangan, AVP-Risk
 Manolo Martinez, AVP-Marketing
 Jeffrey Rondina, Chief Compliance Officer
 Anita Rapera, Regional Director
 Noralyn Silvestre, Regional Director
 Allan Dimaano, Senior Program Manager

CMIT

Leyne de Galicia, Chief Operating Officer
 Ma. Encarnita Lopez, AVP for Infrastructure

RBI

Glenda Atabay, Vice-President
 Marlyn Marudo, AVP-Operations
 Adoracion Ola, Regional Director

BotiCARD, Inc.

Marites Pedraja, Operations Director

RISE Financing Company

Amelia Corazon Panaligan, General Manager

CARD LFC

Ma. Rodessa Burgos, Deputy Director for Finance

CARD MRI

Lourdes Medina, Research Technical Manager
 Deolito Valdemar, Deputy Director for Legal/Security Operations
 Atty. Anatalia Buenaventura, Deputy Director for Corp. Legal
 Rosafe Matunan, HR Director
 Cleofe Figuracion, Deputy Director for Corporate Communications
 Maida Decano, Deputy Director for O&A
 Jean Pauline Landicho, Deputy Director for RMU
 Marie Sharon Roxas, Deputy Director for Treasury
 Marjorie Marasigan, ASEAN International Group Director
 Ma. Irma Corazon Nuevo, Managing Consultant
 Billie Jean Consignado, Deputy Director for Audit
 Jennifer Masa, Deputy Director for Audit
 Aurea Magpantay, EMPC General Manager



OUR EXECUTIVE COMMITTEE, INSTITUTIONAL HEADS, AND ADVISERS

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

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

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

Elma B. Valenzuela
Executive Director, CARD, Inc.

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

Aristeo A. Dequito
Deputy CEO, CARD SME Bank

Edzel A. Ramos
Dean/Institute Director, CMDI

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

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

Vener S. Abellera
Executive Vice President, CPMI

Laarne D. Paje
Assistant Vice President for Audit, CARD Bank, Inc.

Rosenda P. Aquino
President and CEO, BotiCARD, Inc.

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

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

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

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

Edgar V. Cauyan
Vice President for IT, CARD Bank, Inc.

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

Marilyn M. Manila
Community Development Group Director, CARD MRI

Julius Adrian R. Alip
President and CEO, CARD-BDSFI, CARD LFC and MLNI

Raul S. Dizon
President and CEO, CMIT

Lyneth L. Derequito
Chief Compliance Officer, CARD Bank, Inc.

Roselito A. Magpantay
General Manager, CaMIA

Dr. Enrique L. Navarro
Senior Adviser, CARD MRI
Vice President for Academic Affairs, CMDI



OUR BOARD MEMBERS

CARD, Inc.

Dr. Jaime Aristotle B. Alip
Flordeliza L. Sarmiento
Elma B. Valenzuela
Dr. Dolores M. Torres
Lorenza dT. Bañez
Ma Luisa P. Cadaing
Dr. Gelia T. Castillo
Maria Elena M. Ruiz
Efren C. Cosico
Atty. Arnel Paciano D. Casanova
Silveria Arciaga, Ex-officio Member
Primitiva Lina Barreto, Ex-officio Member
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CARD Bank, Inc.

Dr. Jaime Aristotle B. Alip
Dr. Dolores M. Torres
Lorenza dT. Bañez
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Dr. Gilberto M. Llanto
Annabelle Cereno
Mercedita Medequiso
Marivic M. Austria
Eduardo Jose, Jr.

CARD MBA

Abundia C. Manabes
Nimfa M. Santos
Eulalia A. Villanueva
Eden C. Jacalne
Shirley V. Isidro
Haydee G. Eulin
Lelibeth A. Alberio
Cynthia D. Fajarito
Charito A. Antolin
Evangeline R. Yonson
Juvelyn D. Garcia
Analyn A. Andrade
Thelma A. Magculang
Arlette A. Umali
Atty. Jomer H. Aquino

CMDI

Dr. Jaime Aristotle B. Alip
Dr. Dolores M. Torres
Lorenza dT. Bañez
Dr. Gelia T. Castillo
Ma. Luisa P. Cadaing
Dr. Gilberto M. Llanto
Flordeliza L. Sarmiento
Dr. Agnes C. Rola
Dr. Rosalina J. Fuentes
Dr. Enrique Navarro
Prof. Takayoshi M. Amenomori, Ex-officio Board-at-Large
Myka Reinsch Sinclair, Ex-officio Board-at-Large
Pascuala Geñoso, Ex-officio Member

CARD-BDSFI

Aristeo A. Dequito
Dr. Jaime Aristotle B. Alip
Dr. Dolores M. Torres
Flordeliza L. Sarmiento
Lorenza dT. Bañez
Eugenio Gonzales
Julio Jose F. Banzon
Perry Villa
Julius Adrian R. Alip
Doris Peralta, Ex-Officio Member

CaMIA

May S. Dawat
Wilfredo M. Llanto
Elma B. Valenzuela
Atty. Clifford C. Burkley
Vener S. Abellera
Dr. Enrique L. Navarro
Deverna dT. Briones
Marilyn M. Manila
Alejandro Mangulabnan
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Dr. Dolores M. Torres, Ex-officio Member
Flordeliza L. Sarmiento, Ex-officio Member
Lorenza dT. Bañez, Ex-officio Member
Roselito Magpantay, Ex-officio Member

CARD SME Bank

Dr. Jaime Aristotle B. Alip
Flordeliza L. Sarmiento
Mary Jane A. Perreras
Milagros Rojas
Aristeo A. Dequito
Maria Elena Ruiz
Felisa Lapitan
Dr. Gilberto Llanto
Atty. Wilfredo Domo-ong

CMIT

Jocelyn D. Dequito
Raul S. Dizon
Deverna dT. Briones
Edgar V. Cauyan
Dr. Emmanuel S. Santiago
May S. Dawat
Julius Adrian R. Alip
Roderick G. Mercado
Armi A. Luz

BotiCARD

Marilyn M. Manila
May S. Dawat
Nazarita Tacandong
Rosenda P. Aquino
Atty. Clifford C. Burkley

Rizal Bank, Inc.

Flordeliza L. Sarmiento
Dr. Jaime Aristotle B. Alip
Dr. Dolores M. Torres
Elma B. Valenzuela
Pascuala Geñoso
Faustino Buenaventura
Jocelyn C. Arguelles
Washington Z. SyCip, Adviser

CARD LFC

Jocelyn D. Dequito
Julius Adrian R. Alip
Julio Jose F. Banzon
Rolando dela Cruz
Deverna dT. Briones
Atty. Anatalia F. Buenaventura
Josefina Y. Rances

RISE Financing Company

Sr. Rosanne B. Mallillin, SPC
Jocelyn D. Dequito
Atty. Anatalia F. Buenaventura
Julius Adrian R. Alip
Eugenio M. Gonzales
Alexander Aquino
Sr. Melvin Manligoy, CSJ

CPMI

May S. Dawat
Lorenzo O. Chan, Jr.
David C. Coyukiat
Geric G. Laude
Atty. Jomer H. Aquino
Vitaliano N. Nañagas
Wilfredo M. Llanto
Dr. Jaime Aristotle B. Alip, Adviser
Dr. Dolores M. Torres, Adviser

Mga Likha ni Inay

Julius Adrian R. Alip
Bernie H. Liu
Francisco Sevilla
Therese Clarence Fernandez-Ruiz
Elma B. Valenzuela

DIRECTORY

CARD MRI HEAD OFFICE

20 M.L. Quezon Street, City Subdivision,
San Pablo City 4000, Laguna, Philippines
(049) 562 43 09
www.cardmri.com

Center for Agriculture and Rural Development (CARD), Inc.
20 M.L. Quezon Street, City Subdivision,
San Pablo City 4000, Laguna, Philippines
(049) 561 20 18
www.cardmri.com/cardinc

CARD-MRI Development Institute, Inc.
Brgy. Tranca, Bay 4033, Laguna
(049) 573 00 31 / 0947 890 2759
www.cardmri.com/cmdi

CARD SME Bank, Inc.
#61 Insular Building, Rizal Avenue,
San Pablo City 4000, Laguna
(049) 503 2671/ (049) 503 2672
www.cardmri.com/cardsmebank

Rizal Bank, Inc.
P. Guevarra St., Corner Aguirre St.,
Brgy. Poblacion II, Sta. Cruz 4009, Laguna
(049) 523 10 47
www.cardmri.com/rbi

Responsible Investments for Solidarity and Empowerment (RISE) Financing Company, Inc.
Unit 909, Malate Crown Plaza Condominium,
Adriatico corner 555 San Andres,
Malate 1002, Manila
(02) 521 6373
www.cardmri.com/rise

CARD Bank, Inc.
20 M.L. Quezon Street, City Subdivision,
San Pablo City 4000, Laguna, Philippines
(049) 562 43 09
www.cardbankph.com

CARD-Business Development Service Foundation Inc.
M.L. Quezon Street, City Subdivision,
San Pablo City 4000, Laguna
(049) 561 3268 / 0999 985 9193
www.cardmri.com/cardbdsfi

CARD MRI Information Technology, Inc.
20 M.L. Quezon Street, City Subdivision,
San Pablo City 4000, Laguna, Philippines
(049) 562 43 09
www.cardmri.com/cmit

CARD Leasing and Finance Corporation
20 M.L. Quezon Street, City Subdivision,
San Pablo City 4000, Laguna, Philippines
(049) 562 43 09 / 0929 776 0206
www.cardmri.com/clfc

CARD Mutual Benefit Association, Inc.
Colago Avenue, Brgy. 1-A
San Pablo City, Laguna, 4000 Philippines
(049) 562 2878 / (049) 562 5537 /
0928 520 5769
www.cardmba.com

CARD MRI Insurance Agency
ML Quezon Street, City Subdivision,
San Pablo City 4000, Laguna
(049) 503 28 65 / 0918 967 1840
www.cardmri.com/camia

BotiCARD Inc.
20 M.L. Quezon Street, City Subdivision,
San Pablo City 4000, Laguna, Philippines
(049) 562 43 09
www.cardmri.com/botiscard

CARD Pioneer Microinsurance, Inc.
3/F Pioneer House Makati, 108 Paseo de Roxas,
Makati City, Philippines
(02) 812 7777
www.cardmri.com/cpmi

Mga Likha ni Inay, Inc.
M.L. Quezon Street, City Subdivision,
San Pablo City 4000, Laguna, Philippines
(049) 561 3268
www.cardmri.com/mlni

OUR OFFICES

CAN ALSO BE FOUND IN THE FOLLOWING AREAS:

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Bukidnon Bulacan Bohol Cagayan Capiz Camarines Norte Camarines Sur Camiguin Cavite Cebu
Compostela Valley Cotabato - North Cotabato - South Davao del Norte Davao del Sur Davao Oriental
Eastern Samar General Santos Ifugao Ilocos Norte Ilocos Sur Iloilo Isabela La Trinidad La Union
Laguna Lanao del Norte Leyte Maguindanao Marinduque Masbate Miag-ao Mindoro Occidental
Mindoro Oriental Misamis Occidental Misamis Oriental Mountain Province National Capital Region Negros
Occidental Negros Oriental North Cotabato Nueva Ecija Nueva Vizcaya Palawan Pampanga Pangasinan
Quezon Quirino Rizal Romblon Samar Sarangani Siquijor Sorsogon South Cotabato Sultan Kudarat
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- Alalay Sa Kaunlaran (ASKI), Inc., Philippines
- ANR Unlimited Manpower Corp., Philippines
- ARDCI NGO Group, Inc., Philippines
- ASA Philippines, Philippines
- Asia Pacific College, Philippines
- Asia Pacific Rural and Agricultural Credit Association (APRACA), Thailand
- Asian Actuary, Philippines
- Asian Community Trust, Japan
- Asian Development Bank, Philippines
- AusAID, Philippines
- Ayala Foundation, Philippines
- BancNet Inc., Philippines
- Banco de Oro, Philippines
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- Bangko Sentral ng Pilipinas (BSP), Philippines
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- Bellavita Land Corporation, Philippines
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- Bukidnon Integrated Network of Home Industries, Philippines
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- Cebuana Lhuillier, Philippines
- Center for Community Transformation (CCT), Philippines
- Chambers of Thrift Bank, Philippines
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- China Bank Saving, Inc., Philippines
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- Citibank, Philippines
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- Consultative Group to Assist the Poorest (CGAP), USA
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- Daan Sa Pag-unlad, Inc., Philippines
- Department of Agrarian Reform, Philippines
- Department of Social Welfare and Development, Philippines
- Department of Trade and Industry Region IV, Philippines
- Deutsche Bank AG, Germany
- Development Bank of the Philippines, Philippines
- Development Bank of the Philippines (DBP), Philippines
- Eastwest Bank, Philippines
- Ekphattana Microfinance Institution (EMI), Laos
- Embassy of Japan, Philippines
- Forbes College, Philippines
- Foundation for Sustainable Society, Inc. (FSSI), Philippines
- Freedom From Hunger (FFH), USA
- Gabay, Aruga, Tungo sa Pag-angat at Pag-asa (AGAPP), Philippines
- Gawad Kalinga, Philippines
- Globe Telecon-GXchange, Inc. (GX), Philippines
- Grameen Bank, Bangladesh
- Grameen Foundation USA, USA
- Grameen Trust (GT), Bangladesh
- Hongkong Shanghai Banking Corporation (HSBC) Ltd., Philippines
- HSBC, Philippines
- Hybrid Social Solutions, Philippines
- Imai Memorial Charitable Trust, Japan
- ING Bank, Netherlands
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- Microfinance Center (MFC), Laos
- Microfinance Council of the Philippines (MCPI), Philippines
- Micropadala, Philippines
- Microventures Foundation, Philippines
- Microventures Inc. (MVI), Philippines
- Misereor, Germany
- M Lhuillier Philippines Incorporated, Philippines
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- National Livelihood Development Corporation, Philippines
- National Livelihood Support Fund (NLSF), Philippines
- National Statistics Office, Philippines
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- Netherlands Embassy, Philippines
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- Philippine Business for Social Progress, Philippines
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- Philippine Geothermal Production Company, Inc., Philippines
- Philippine Red Cross, San Pablo, Philippines
- Philippine National Reinsurance (PhilNARE), Philippines
- Philippine Savings Bank, Philippines
- Philippine-Australian Community Assistance Program (PACAP), Philippines
- PHINMA, Philippines
- Pilipinas Shell Foundation, Inc., Philippines
- PinoyME Foundation, Philippines
- Pioneer Intercontinental Insurance Inc., Philippines
- PJS Law Office, Philippines
- Plan International, Philippines
- Planters Bank, Philippines
- Planters Development Bank (PDB), Philippines
- Postal Bank, Philippines
- PS Bank, Philippines
- PT Triputra Persada Rahmat (TPR), Indonesia
- Quidan-Kaisahan Pag-Inupdanay, Inc., Philippines
- Radiowealth Finance Corporation, Philippines
- Rags to Riches, Philippines
- RBT-MBA, Philippines
- RIMANSI Organization of Asia and the Pacific, Philippines
- Risho Kosei-Kai Foundation (RKK), Japan
- Rizal Commercial Banking Corporation, Philippines
- RKK Fund for Peace, Japan
- Rocking Moon Foundation, USA
- Rural Bankers Association of

the Philippines, Philippines

- San Pablo Chambers of Commerce, Philippines
- Savings Bank Foundation for International Cooperation (SBFIC), Germany
- Security Bank, Philippines
- Seilanithih Ltd., Cambodia
- Small Business Corporation, Philippines
- Social Security System, Philippines
- Southeast Asian Interdisciplinary Development Institute (SAIDI), Philippines
- Southern New Hampshire University (SNHU), USA
- Sparkasse Essen, Germany
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- St. Luke's Methodist Church, USA
- Standard Chartered Bank, Philippines
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- SunLife Asset Management Company, Inc., Philippines
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- Taytay Sa Kauswagan, Inc., Philippines
- Technical Education and Skills Development Authority (TESDA), Philippines
- The Asia Foundation/Give2Asia, USA and Philippines
- The International Alliance for Women (TIAW), USA
- Tinh Thuong One Member Limited Liability Microfinance Institution (TYM), Vietnam
- Travel Specialist Ventures, Philippines
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- United Nations Capital Development Fund (UNCDF), USA
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- Washington Z. SyCip, Philippines
- Women's World Banking (WWB), USA

- World Vision Australia, Australia
- World Vision Development Foundation, Philippines
- WS Family Foundation, Inc., Philippines
- Xainiyom Microfinance Institution (XMI), Laos
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COOPERATIVES

- Aparicio Multi-Purpose Cooperative (APARICIO)
- Bagnos Multi-Purpose Cooperative
- Cabucgayan Agrarian Reform Cooperative (CARECO)
- Cabuling Farmer's Multi-Purpose Cooperative (CABULING)
- Calaca Municipal Farmer's Multi-Purpose Cooperative (CALACA)
- Candelaria Multi-Purpose Cooperative (CANDELARIA)
- CANHABAGAT MPC
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- Grains Multi-Purpose Cooperative (GRAINS)
- Honrado Farmers Credit Cooperative (HONFACRECO)
- Kaulangohan Agrarian Reform Cooperative (KARCO)
- Kimaya Multi-Purpose Cooperative (KIMAYA)
- Kinatihan 1 Multi-Purpose Cooperative (KINATIHAN)
- Langatian CARP Beneficiaries Multi-Purpose Cooperative (LACARBEMCO)
- Libercon Multi-Purpose Cooperative (LIBERCON)
- Longon Multi-Purpose Cooperative (LONGON)
- Los Arcos Multi-Purpose Cooperative
- Lumintao Farmers Multi-Purpose Cooperative (LUMINTAO)
- Maddela Integrated Farmers Savings Development Cooperative
- Magdiwang Agrarian Reform Community Multi-Purpose Cooperative (MARC MPC)
- Media Once Farmers Multi-Purpose Cooperative (MOFAMC)
- Mina de Oro Agrarian Reform Beneficiary Multi-Purpose Cooperative (MAREBEMCO)
- Naguilian Christian Multi-Purpose Cooperative
- Nangalisan Multi-Purpose Cooperative
- New Massba Agrarian Reform Cooperative
- Oleras Multi-Purpose Economic Development Cooperative (OMPEDCO)
- Padre Burgos Multi-Purpose Cooperative
- Pagpapaunlad Kita Multi-Purpose Cooperative Kilusang Bayan sa Gawain (PAKIKIBAGAI)
- Progressive Women Agrarian Reform Cooperative
- Rimalipad-Naba Multi-Purpose Cooperative (RIMALIPAD)
- San Isidro Multi-Purpose Cooperative (SIMPUCO)
- San Julian Multi-Purpose Cooperative
- Santiago Multi-Purpose Cooperative (SANTIAGO)
- Saranay Agrarian Reform Cooperative (SARCO)
- Sibula Multi-Purpose Cooperative (SIBULA)
- Sipsipin Multi-Purpose Cooperative
- SIRMATA MPC
- Sta. Elena Farmers Multi-Purpose Cooperative (STA. ELENA)
- Sto. Niño-Visares Transport Service Multi-Purpose Cooperative (SAVIMCO)
- TIMGAS Multi-Purpose Cooperative
- Tinagacan Agrarian Reform Beneficiaries Cooperative (TARBC)
- Umiray Agrarian Reform Beneficiaries MPC (UMARBEMCO)
- Unisan Agrarian Reform Community Multi-Purpose Cooperative (UNISAN)



AUDITED FINANCIAL STATEMENTS

Financial statements and accompanying
notes are available upon request.

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

STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE

	Consolidated		Parent Company	
	December 31		December 31	
	2015	2014	2015	2014
ASSETS				
Cash and Cash Equivalents	₱880,588,947	₱724,746,731	₱875,657,782	₱720,057,182
Short-term Investments	335,223,849	100,000,000	335,223,849	100,000,000
Receivables				
Receivables from members	4,742,956,041	4,191,966,793	4,736,655,639	4,191,579,921
Finance lease and loans receivables	19,706,255	34,526,480	—	—
Due from affiliates	3,982,263	9,246,699	3,985,481	9,246,699
Other receivables	109,273,259	61,915,842	108,605,210	61,778,300
Available-for-Sale Investments	16,324,200	14,602,960	16,324,200	14,602,960
Investments in Subsidiaries and Associates	852,414,151	634,119,569	877,882,122	659,608,916
Property and Equipment	96,968,488	98,665,324	95,475,114	96,988,825
Investment Properties	48,959,916	33,035,461	30,888,632	27,706,390
Retirement Asset	107,102,124	5,891,244	107,102,124	5,891,244
Other Assets	46,357,679	67,607,435	45,957,333	67,375,670
	₱7,259,857,172	₱5,976,324,538	₱7,233,757,486	₱5,954,836,107
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Due to Members	₱2,272,899,507	₱1,967,884,752	₱2,271,837,908	₱1,967,803,383
Borrowings	1,714,237,488	1,316,958,261	1,711,737,488	1,311,958,261
Accounts Payable and Other				
Liabilities	464,555,124	432,005,622	458,923,937	428,950,344
Deferred Tax Liability	157,777	178,316	—	—
Retirement Liability	1,060,374	104,181	—	—
Total Liabilities	4,452,910,270	3,717,131,132	4,442,499,333	3,708,711,988
FUND BALANCE ATTRIBUTABLE TO PARENT COMPANY				
Fund Balance				
General fund	2,555,482,431	1,994,996,175	2,553,914,256	1,996,906,441
Restricted fund	81,507,288	75,816,526	81,507,288	75,816,526
Reserves				
Remeasurement gain on retirement plan	156,099,772	160,834,604	156,337,126	160,576,993
Equity in remeasurement gain (loss) on retirement plan of associates	429,890	12,824,159	(500,517)	12,824,159
	2,793,519,381	2,244,471,464	2,791,258,153	2,246,124,119
NON-CONTROLLING INTEREST	13,427,521	14,721,942	—	—
Total Fund Balance	2,806,946,902	2,259,193,406	2,791,258,153	2,246,124,119
	₱7,259,857,172	₱5,976,324,538	₱7,233,757,486	₱5,954,836,107

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

STATEMENTS OF REVENUE OVER EXPENSES

	Years Ended December 31			
	Consolidated		Parent Company	
	2015	2014	2015	2014
REVENUE AND OTHER INCOME				
Administrative fee	₱2,346,522,822	₱2,039,617,965	₱2,345,403,899	₱2,039,609,389
Grants	15,504,583	27,741,147	11,446,640	27,741,147
Other income	20,953,788	25,223,963	16,315,662	20,973,321
	2,382,981,193	2,092,583,075	2,373,166,201	2,088,323,857
COSTS AND EXPENSES				
Project related expenses	1,869,066,546	1,635,568,667	1,869,066,546	1,635,568,667
Grants and donations	74,749,911	77,104,352	74,729,911	77,063,131
Health program	24,436,073	50,889,131	24,436,073	50,889,131
Scholarship program	7,159,588	765,297	7,159,588	765,297
Research program	4,041,600	34,725,687	4,041,600	34,725,687
Other administrative expenses	88,409,276	90,577,617	77,405,397	78,777,747
	2,067,862,994	1,889,630,751	2,056,839,115	1,877,789,660
EXCESS OF REVENUE OVER EXPENSES BEFORE SHARE IN NET INCOME OF ASSOCIATES AND SUBSIDIARIES	315,118,199	202,952,324	316,327,086	210,534,197
SHARE IN NET INCOME OF ASSOCIATES AND SUBSIDIARIES	250,915,696	140,773,538	247,096,847	138,951,175
EXCESS OF REVENUE OVER EXPENSES BEFORE INCOME TAX	566,033,895	343,725,862	563,423,933	349,485,372
PROVISION FOR INCOME TAX	940,960	1,130,950	725,356	1,076,464
EXCESS OF REVENUE OVER EXPENSES	₱565,092,935	₱342,594,912	₱562,698,577	₱348,408,908
ATTRIBUTABLE TO:				
Parent Company	₱566,177,018	₱344,582,332		
Non-controlling Interest	(1,084,083)	(1,987,420)		
	₱565,092,935	₱342,594,912		

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

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31			
	Consolidated		Parent Company	
	2015	2014	2015	2014
EXCESS OF REVENUE OVER EXPENSES	₱565,092,935	₱342,594,912	₱562,698,577	₱348,408,908
Items that do not recycle to profit of loss in subsequent periods:				
Change in remeasurement gain (loss) of retirement plan, net of tax	(5,039,290)	434,949,010	(4,239,867)	434,532,940
	(5,039,290)	434,949,010	(4,239,867)	434,532,940
Change in equity in remeasurement gain (loss) of retirement plan of associates and subsidiaries	(12,394,269)	83,609,100	(13,324,676)	83,609,100
	(17,433,559)	518,558,110	(17,564,543)	518,142,040
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	₱547,659,376	₱861,153,022	₱545,134,034	₱866,550,948
Attributable to:				
Parent Company	₱549,047,917	₱862,981,983		
Non-controlling Interest	(1,388,541)	(1,828,961)		
	₱547,659,376	₱861,153,022		

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

STATEMENTS OF CHANGES IN FUND BALANCE

	Consolidated					
	Fund Balance Attributable to the Parent Company					
	Fund Balance		Reserves			
	General Fund	Restricted Fund	Remeasurement Gain (Loss) on Retirement Plan	Equity in Remeasurement Gain (Loss) on Retirement Plan of Associates and Subsidiaries	Non-controlling interest	Total
Balance at January 1, 2015, as previously reported	₱1,996,818,538	₱75,816,526	₱160,834,604	₱12,824,159	₱14,797,874	₱2,261,091,701
Effect of restatement	(1,822,363)	—	—	—	(75,932)	(1,898,295)
Balance at January 1, 2015	1,994,996,175	75,816,526	160,834,604	12,824,159	14,721,942	2,259,193,406
Change in non-controlling interest	—	—	—	—	94,120	94,120
Appropriation during the year	(5,690,762)	5,690,762	—	—	—	—
Total comprehensive income for the year	566,177,018	—	(4,734,832)	(12,394,269)	(1,388,541)	547,659,376
Balance at December 31, 2015	₱2,555,482,431	₱81,507,288	₱156,099,772	₱429,890	₱13,427,521	₱2,806,946,902

	Consolidated					
	Fund Balance Attributable to the Parent Company					
	Fund Balance		Reserves			
	General Fund	Restricted Fund	Remeasurement Gain (Loss) on Retirement Plan	Equity in Remeasurement Gain (Loss) on Retirement Plan of Associates and Subsidiaries	Non-controlling interest	Total
Balance at January 1, 2014	₱1,655,827,106	₱70,403,263	(₱273,955,947)	(₱70,784,941)	₱16,550,903	₱1,398,040,384
Appropriation during the year	(5,413,263)	5,413,263	—	—	—	—
Total comprehensive income for the year	344,582,332	—	434,790,551	83,609,100	(1,828,961)	861,153,022
Balance at December 31, 2014	₱1,994,996,175	₱75,816,526	₱160,834,604	₱12,824,159	₱14,721,942	₱2,259,193,406

	Parent Company					
	Fund Balance					
	General Fund	Restricted Fund	Reserves			
	General Fund	Restricted Fund	Remeasurement Gain (Loss) on Retirement Plan	Equity in Remeasurement Gain (Loss) on Retirement Plan of Associates and Subsidiaries		Total
Balance at January 1, 2015, as previously reported	₱1,998,728,804	₱75,816,526	₱160,576,993	₱12,824,159		₱2,247,946,482
Effect of restatement	(1,822,363)	—	—	—		(1,822,363)
Balance at January 1, 2015	1,996,906,441	75,816,526	160,576,993	12,824,159		2,246,124,119
Appropriation during the year	(5,690,762)	5,690,762	—	—		—
Total comprehensive income for the year	562,698,577	—	(4,239,867)	(13,324,676)		545,134,034
Balance at December 31, 2015	₱2,553,914,256	₱81,507,288	₱156,337,126	(₱500,517)		₱2,791,258,153

	Parent Company					
	Fund Balance					
	General Fund	Restricted Fund	Reserves			
	General Fund	Restricted Fund	Remeasurement Gain (Loss) on Retirement Plan	Equity in Remeasurement Gain (Loss) on Retirement Plan of Associates and Subsidiaries		Total
Balance at January 1, 2014	₱1,653,910,796	₱70,403,263	(₱273,955,947)	(₱70,784,941)		₱1,379,573,171
Appropriation during the year (Note 29)	(5,413,263)	5,413,263	—	—		—
Total comprehensive income for the year	348,408,908	—	434,532,940	83,609,100		866,550,948
Balance at December 31, 2014	₱1,996,906,441	₱75,816,526	₱160,576,993	₱12,824,159		₱2,246,124,119

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

STATEMENTS OF CASH FLOWS

	Years Ended December 31			
	Consolidated		Parent Company	
	2015	2014 (As restated – Note 2)	2015	2014 (As restated – Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES				
Excess of revenue over expenses before income tax	₱566,033,895	₱343,725,862	₱563,423,933	₱349,485,372
Adjustments for:				
Equity in net earnings of associates and subsidiary	(250,915,696)	(140,773,538)	(247,096,847)	(138,951,175)
Interest expense	43,079,284	64,719,480	42,858,867	64,169,480
Pension expense	38,307,187	135,553,857	38,224,551	135,462,320
Depreciation and amortization	23,937,250	30,727,323	23,584,978	30,387,342
Provision for credit and impairment losses	18,267,047	15,738,999	15,507,891	11,960,986
Interest income	(11,605,414)	(12,015,524)	(7,707,373)	(8,350,818)
Grant of land to affiliate	–	4,800,000	–	4,800,000
Amortization of debt issue costs	1,801,316	1,687,445	1,801,316	1,687,445
Foreign exchange gain	(579,673)	(86,060)	(767,000)	(86,060)
Dividend income	(314,160)	(3,304,604)	(314,160)	(3,304,604)
Loss (gain) on disposal/retirement of assets	(521,057)	(36,839)	4,867	4,901
Changes in operating assets and liabilities:				
Decrease (increase) in amounts of:				
Receivables	(607,235,727)	(537,245,376)	(602,053,982)	(530,992,224)
Short term investments	(235,223,849)	25,000,000	(235,223,849)	25,000,000
Other assets	21,069,831	(11,351,832)	21,727,726	(13,270,677)
Increase in amounts of:				
Due to members	305,010,497	264,788,922	304,034,525	264,707,553
Accounts payable and accrued expenses	33,500,152	125,589,250	31,589,886	123,731,396
Net cash flows generated from (used in) operations	(55,389,117)	307,517,365	(50,404,671)	316,441,237
Interest paid	(44,677,318)	(63,261,108)	(44,420,235)	(62,524,441)
Contributions to the retirement plan	(143,779,479)	(143,675,298)	(143,675,298)	(143,675,298)
Interest received	11,181,754	13,242,748	7,612,154	8,433,111
Income taxes paid	(799,407)	(1,153,153)	(780,281)	(1,059,034)
Net cash flows provided by (used in) operating activities	(233,463,567)	112,670,554	(231,668,331)	117,615,575

	Years Ended December 31			
	Consolidated		Parent Company	
	2015	2014	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal or maturity of:				
Property and equipment	₱176,693	₱894,961	₱176,150	₱572,370
Investment property	–	743,851	–	–
Investment in associates and subsidiary	274,400	–	274,400	–
Acquisitions of:				
Investment in associates	(62,385,000)	(14,522,170)	(67,091,000)	(15,148,250)
Property and equipment	(20,151,723)	(26,159,695)	(19,982,032)	(26,001,124)
Available-for-sale investments	(977,120)	–	(977,120)	–
Investment properties	(5,761,883)	(1,030,355)	(5,761,883)	(1,030,355)
Dividends received	82,652,505	58,171,075	82,652,505	58,171,075
Prepaid subscription of equity shares	–	(31,950,400)	–	(31,950,400)
Net cash flows used in investing activities	(6,172,128)	(13,852,733)	(10,708,980)	(15,386,684)
CASH FLOWS FROM FINANCING ACTIVITIES				
Redemption of preferred stock	–	(7,500,000)	–	–
Proceeds from borrowings	1,873,508,100	1,332,708,500	1,873,508,100	1,327,708,500
Settlement of borrowings	(1,478,030,189)	(1,391,316,020)	(1,475,530,189)	(1,391,316,020)
Net cash flows provided by (used in) financing activities	395,477,911	(66,107,520)	397,977,911	(63,607,520)
NET INCREASE IN CASH AND CASH EQUIVALENTS	155,842,216	32,710,301	155,600,600	38,621,371
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	724,746,731	692,036,430	720,057,182	681,435,811
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱880,588,947	₱724,746,731	₱875,657,782	₱720,057,182

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

	December 31	
	2015	2014
ASSETS		
Cash and other cash items	₱100,838,896	₱65,451,150
Due from Bangko Sentral ng Pilipinas	149,539,008	124,989,147
Due from other banks	1,158,855,488	587,745,810
Available-for-sale investments	136,508,213	139,523,981
Loans and receivables	5,324,253,781	4,308,142,574
Held-to-maturity investments	238,220,396	258,865,664
Investment in an associate	118,783,722	62,164,989
Property and equipment	519,858,626	420,163,724
Retirement asset	126,100,919	87,600,047
Deferred tax assets	46,027,575	42,462,832
Other assets	167,480,409	63,088,812
	₱8,086,467,033	₱6,160,198,730
LIABILITIES AND EQUITY		
Liabilities		
Deposit liabilities		
Demand	₱152,278,885	₱107,458,554
Savings	4,360,487,687	3,412,441,873
	4,512,766,572	3,519,900,427
Bills payable	1,261,701,810	881,954,896
Income tax payable	106,109,509	61,983,762
Other liabilities	439,805,859	266,546,634
	₱6,320,383,750	₱4,730,385,719
Equity		
Capital stock		
Preferred stock	499,884,000	496,938,400
Common stock	492,286,800	470,438,900
	992,170,800	967,377,300
Surplus	772,926,265	441,202,779
Remeasurement gains on retirement liabilities	9,997,169	18,869,940
Share in the associate's other comprehensive income (loss)	(8,173,090)	1,568,984
Net unrealized gains (losses) on available for-sale investments	(837,861)	794,008
	1,766,083,283	1,429,813,011
	₱8,086,467,033	₱6,160,198,730

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

	Years Ended December 31	
	2015	2014
INTEREST INCOME ON		
Loans and receivables	₱2,429,605,719	₱1,935,254,096
Investment securities	16,417,695	16,864,075
Due from other banks	8,262,581	6,676,433
	2,454,285,995	1,958,794,604
INTEREST EXPENSE ON		
Deposit liabilities	102,803,409	84,291,799
Bills payable	24,436,751	25,932,667
	127,240,160	110,224,466
NET INTEREST INCOME	2,327,045,835	1,848,570,138
Miscellaneous	17,611,672	14,556,648
TOTAL OPERATING INCOME	2,344,657,507	1,863,126,786
OPERATING EXPENSES		
Compensation and benefits	694,381,592	623,545,744
Transportation and travel	135,783,941	124,932,531
Taxes and licenses	131,176,178	108,660,526
Occupancy	79,803,354	56,324,882
Members training and development	79,212,352	100,512,897
Depreciation and amortization	73,812,754	52,882,082
Stationery and office supplies	63,767,561	56,640,742
Information and technology	60,233,514	35,831,252
Provision for credit losses	52,507,667	38,525,203
Employee trainings	49,240,958	36,759,687
Security, messengerial and janitorial	43,450,444	37,248,041
Postage, telephone and cable	35,896,351	22,443,485
Power, light and water	23,629,521	19,587,898
Insurance	19,515,081	17,477,523
Management and other professional fees	17,581,814	13,172,918
Seminars and meetings	10,285,783	9,136,471
Repairs and maintenance	8,373,443	8,488,638
Program monitoring and evaluation	6,790,893	6,645,533
Miscellaneous	61,587,470	44,861,375
	1,647,030,671	1,413,677,428
INCOME BEFORE SHARE IN NET INCOME OF THE ASSOCIATE	697,626,836	449,449,358
SHARE IN NET INCOME OF THE ASSOCIATE	36,760,807	13,121,813
INCOME BEFORE TAX	734,387,643	462,571,171
PROVISION FOR INCOME TAX	217,838,302	140,381,636
NET INCOME	₱516,549,341	₱322,189,535

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

Years Ended December 31

	2015	2014
NET INCOME	₱516,549,341	₱322,189,535
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Items that may not be classified to the statement of income:</i>		
Remeasurement gains (losses) on retirement liabilities	(12,675,386)	298,345,944
Income tax effect	3,802,615	(89,503,783)
	(8,872,771)	208,842,161
<i>Items that may be reclassified to the statement of income:</i>		
Unrealized gains (losses) on available-for-sale investments	(2,331,240)	1,134,297
Income tax effect	699,371	(340,289)
	(1,631,869)	794,008
Share in the associate's other comprehensive income (loss)	(9,742,074)	3,764,808
	(11,373,943)	4,558,816
TOTAL COMPREHENSIVE INCOME	₱496,302,627	₱535,590,512

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

	Preferred Stock (Note 17)	Common Stock (Note 17)	Surplus (Note 17)	Remeasurement Gains (Losses) on Retirement Liabilities (Note 19)	Share in an Associate's Other Comprehensive Income (Loss) (Note 10)	Net Unrealized Gain on Available-for-sale Investments (Note 7)	Total
Balance at January 1, 2015	₱496,938,400	₱470,438,900	₱441,202,779	₱18,869,940	₱1,568,984	₱794,008	₱1,429,813,011
Total comprehensive income	—	—	516,549,341	(8,872,771)	(9,742,074)	(1,631,869)	496,302,627
Collection of subscription receivable	2,945,600	21,847,900	—	—	—	—	24,793,500
Cash dividends	—	—	(184,825,855)	—	—	—	(184,825,855)
Balance at December 31, 2015	₱499,884,000	₱492,286,800	₱772,926,265	₱9,997,169	(₱8,173,090)	(₱837,861)	₱1,766,083,283
Balance at January 1, 2014	₱420,929,800	₱361,443,500	₱398,895,728	(₱189,972,221)	(₱2,195,824)	₱—	989,100,983
Total comprehensive income	—	—	322,189,535	208,842,161	3,764,808	794,008	535,590,512
Collection of subscription receivable	1,063,200	22,371,048	—	—	—	—	23,434,248
Issuance of new shares	74,945,400	—	—	—	—	—	74,945,400
Stock dividends	—	86,624,352	(86,624,352)	—	—	—	—
Cash dividends	—	—	(193,258,132)	—	—	—	(193,258,132)
Balance at December 31, 2014	₱496,938,400	₱470,438,900	₱441,202,779	₱18,869,940	₱1,568,984	₱794,008	₱1,429,813,011

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

	Years Ended December 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱734,387,643	₱462,571,171
Adjustments for:		
Depreciation and amortization	73,812,754	52,882,082
Provision for credit losses	52,507,667	38,525,203
Share in the net income of an associate	(36,760,807)	(13,121,813)
Amortization of premium on available-for-sale investments	684,527	455,316
Amortization of premium on held-to-maturity investments	2,668,767	5,535,382
Retirement expense	24,691,258	79,774,489
Gain on disposal of property and equipment	(1,940,537)	(683,562)
Net unrealized loss on foreign exchange transactions	183,224	104,500
Amortization of discount on bills payable	4,028,347	4,362,279
Operating income before changes in operating assets and liabilities:	854,262,843	630,405,047
Increase in the amounts of:		
Loans and receivables	(1,068,618,874)	(701,174,811)
Other assets	(70,948,780)	(15,372,980)
Increase in the amounts of:		
Deposit liabilities	992,866,145	349,530,818
Other liabilities	121,582,245	29,516,294
Net cash generated from operations	829,143,579	292,904,368
Income taxes paid	(172,775,311)	(162,737,330)
Contribution to retirement fund	(75,867,516)	(75,867,516)
Net cash provided by operating activities	580,500,752	54,299,522
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment	(173,167,008)	(176,982,436)
Available-for-sale investments	—	(138,845,000)
Held-to-maturity investments	(34,859,499)	(48,233,415)
Software costs	(14,046,232)	(981,000)
Dividends received from associate	10,400,000	—
Additional investment to/advances to an associate	(40,000,000)	(20,000,000)
Proceeds from:		
Maturity of held-to-maturity investments	52,836,000	106,150,758
Disposal of property and equipment	1,940,537	1,348,582
Net cash used in investing activities	(₱196,896,202)	(₱277,542,511)

	Years Ended December 31	
	2015	2014
CASH FLOWS FROM FINANCING ACTIVITIES		
Availment of bills payable	₱1,310,718,567	₱1,179,159,932
Settlement of bills payable	(935,000,000)	(725,000,000)
Proceeds from:		
Issuance of preferred stock	–	74,945,400
Collection of subscriptions receivable on common stock	4,886,900	22,371,048
Collection of subscriptions receivable on preferred stock	2,826,800	1,063,200
Dividends paid	(135,806,308)	(187,400,258)
Net cash provided by financing activities	247,625,959	365,139,322
EFFECTS OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS		
	(183,224)	(104,500)
NET INCREASE IN CASH AND CASH EQUIVALENTS	631,047,285	141,791,833
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	65,451,150	46,793,184
Due from Bangko Sentral ng Pilipinas	124,989,147	73,783,424
Due from other banks	587,745,810	515,817,666
	778,186,107	636,394,274
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and other cash items	100,838,896	65,451,150
Due from Bangko Sentral ng Pilipinas	149,539,008	124,989,147
Due from other banks	1,158,855,488	587,745,810
	₱1,409,233,392	₱778,186,107

OPERATIONAL CASH FLOWS FROM INTEREST AND DIVIDENDS

	Years Ended December 31	
	2015	2014
Interest received	₱2,400,854,569	₱1,988,996,653
Interest paid	107,072,802	93,516,004
Dividend received	10,400,000	–

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

STATEMENTS OF FINANCIAL POSITION

	December 31	
	2015	2014
ASSETS		
Cash and Cash Equivalents	₱378,155,071	₱275,692,723
Financial Assets		
Held-to-maturity investments	6,297,160,291	5,104,317,821
Loans and receivables	522,542,100	400,910,720
Available-for-sale financial assets	436,964,668	509,658,294
Financial assets at fair value through profit or loss	—	20,180,000
Property and Equipment - net	176,596,378	240,021,459
Investment Properties	210,372,898	36,780,456
Investments in Associates	304,457,354	268,288,962
Pension Asset - net	14,358,226	12,633,123
Other Assets	6,368,198	8,280,388
	₱8,346,975,184	₱6,876,763,946

LIABILITIES AND FUND BALANCE

Liabilities

Insurance contract liabilities	₱3,936,843,932	₱3,320,191,416
Retirement savings fund	2,429,552,226	1,963,727,108
Accounts payable and accrued expenses	87,022,943	110,176,583
Total Liabilities	6,453,419,101	5,394,095,107

Fund Balance

Appropriated fund balance	159,658,082	142,580,190
Unappropriated fund balance	1,685,783,527	1,285,160,743
Other comprehensive income	48,114,474	54,927,906
Total Fund Balance	1,893,556,083	1,482,668,839
	₱8,346,975,184	₱6,876,763,946

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

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2015	2014
REVENUE		
Gross premiums on insurance contracts	₱1,839,785,168	₱1,552,346,799
Reinsurance' share on gross earned premium on insurance contracts	(1,477,500)	(1,074,000)
Net premiums on insurance contracts	1,838,307,668	1,551,272,799
Interest income	199,476,726	165,034,017
Dividend income	24,340,922	29,010,638
Surrender charge	16,357,739	16,249,632
Equity in net earnings of associates	11,219,179	—
Rental income	5,683,660	1,250,934
Others	2,657,771	3,064,783
Other revenue	259,735,997	214,610,004
	2,098,043,665	1,765,882,803
BENEFITS, CLAIMS AND EXPENSES		
Gross change in insurance contract liabilities	616,652,516	568,369,120
Gross insurance contract benefits and claims paid	692,479,452	600,820,853
Insurance benefits and claims	1,309,131,968	1,169,189,973
General and administrative expenses	300,395,279	275,750,142
Equity in net losses of associates - net	—	16,125,810
Fair value losses from financial assets at fair value through profit or loss	180,000	860,000
Expenses and losses	300,575,279	292,735,952
	1,609,707,247	1,461,925,925
EXCESS OF REVENUE OVER EXPENSES BEFORE PROVISION FOR TAXES	488,336,418	303,956,878
PROVISION FOR CURRENT TAX	(127,522)	—
PROVISION FOR FINAL TAX	(43,265,622)	(32,736,004)
EXCESS OF REVENUE OVER EXPENSES	444,943,274	271,220,874

	Years Ended December 31	
	2015	2014
EXCESS OF REVENUE OVER EXPENSES	₱444,943,274	₱271,220,874
OTHER COMPREHENSIVE INCOME		
Item that will be reclassified to profit or loss in subsequent periods (Note 9)		
Fair value gains (losses) on available-for-sale financial assets	(1,080,051)	3,076,005
Items that will not be reclassified to profit or loss in subsequent periods (Notes 13 and 24)		
Equity in other comprehensive income (loss) of an associate	(2,447,787)	2,277,292
Remeasurement gain (loss) on defined benefit plan	(3,285,594)	38,969,481
TOTAL COMPREHENSIVE INCOME	₱438,129,842	₱315,543,651

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	Other Comprehensive Income				Total Other Comprehensive Income	Total Fund Balance
			Reserve for Fluctuation in Value of Available-for-Sale Financial Assets	Remeasurement of Actuarial Gains/Losses	Equity in other comprehensive income of an associate			
At January 1, 2015	₱142,580,190	₱1,285,160,743	₱42,860,697	₱9,789,917	₱2,277,292	₱54,927,906	₱1,482,668,839	
Appropriation during the year								
	44,320,490	(44,320,490)	—	—	—	—	—	
Utilization of appropriation	(27,242,598)	—	—	—	—	—	(27,242,598)	
Total comprehensive income:								
Excess of revenue over expenses	—	444,943,274	—	—	—	—	444,943,274	
Other comprehensive income (loss)								
	—	—	(1,080,051)	(3,285,594)	(2,447,787)	(6,813,432)	(6,813,432)	
Balance at December 31, 2015	₱159,658,082	₱1,685,783,527	₱41,780,646	₱6,504,323	(₱ 170,495)	₱48,114,474	₱1,893,556,083	
At January 1, 2014	₱217,349,164	₱989,991,384	₱39,784,692	(₱29,179,564)	₱—	₱10,605,128	₱1,217,945,676	
Appropriation during the year								
	66,500,000	(66,500,000)	—	—	—	—	—	
Reversal of appropriation	(90,448,485)	90,448,485	—	—	—	—	—	
Utilization of appropriation	(50,820,489)	—	—	—	—	—	(50,820,489)	
Total comprehensive income:								
Excess of revenue over expenses	—	271,220,874	—	—	—	—	271,220,874	
Other comprehensive income								
	—	—	3,076,005	38,969,481	2,277,292	44,322,778	44,322,778	
Balance at December 31, 2014	₱142,580,190	₱1,285,160,743	₱42,860,697	₱9,789,917	₱2,277,292	₱54,927,906	₱1,482,668,839	

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

STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses before provision for current and final tax	₱488,336,418	₱303,956,878
Adjustments for:		
Increase in aggregate reserves	598,595,673	559,282,322
Amortization of bond premium (discount)	22,937,395	24,583,735
Pension expense	3,562,765	9,655,132
Depreciation	9,035,200	5,598,410
Provision for impairment losses	3,285,338	16,449,145
Fair value losses from financial assets at fair value through profit or loss	180,000	860,000
Loss on retirement of transportation equipment	35,817	—
Interest expense (income) on pension asset	(740,436)	1,546,852
Equity in net losses (earnings) of an associate - net	(11,219,179)	16,125,810
Dividend income	(24,340,922)	(29,010,638)
Interest income	(198,736,290)	(165,034,017)
Cash generated from operations before changes in working capital	890,931,779	744,013,629
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	(34,430,306)	61,326,365
Other assets	1,912,190	(42,014)
Increase (decrease) in:		
Claims payable	18,056,843	9,086,798
Retirement savings fund	465,825,118	383,103,460
Accounts payable and accrued expenses	(23,153,640)	39,573,645
Net cash generated from operations	1,319,141,984	1,237,061,883
Contribution to pension fund	(7,833,026)	(18,487,572)
Utilization of appropriation	(27,242,598)	(50,820,489)
Taxes paid	(43,393,144)	(32,736,004)
Net cash flows provided by operating activities	1,240,673,216	1,135,017,818
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	186,037,620	158,877,203
Cash dividends received	20,023,116	30,588,438
Acquisitions of:		
Available-for-sale financial assets	(3,383,800)	—
Investment properties	(71,405,700)	—
Investments in associates	(28,300,000)	(55,256)
Property and equipment	(48,236,414)	(142,968,472)
Held-to-maturity investments	(1,338,942,053)	(1,643,543,090)
Short-term investments	(294,513,149)	(168,261,152)

	Years Ended December 31	
	2015	2014
Proceeds from sale/maturities of:		
Held-to-maturity investments	123,162,188	255,725,449
Available-for-sale financial assets	74,997,375	7,500,000
Financial assets at fair value through profit or loss	20,000,000	—
Short-term investments	222,349,949	244,650
Net cash flows used in investing activities	(1,138,210,868)	(1,501,892,230)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	102,462,348	(366,874,712)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	275,692,723	642,567,435
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱378,155,071	₱275,692,723

CARD-MRI DEVELOPMENT INSTITUTE, INC.

(A Nonstock, Not-for-Profit Association)

STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE

	December 31	
	2015	2014
ASSETS		
Current Assets		
Cash in banks	₱40,373,928	₱57,593,905
Short-term investments	51,690,481	—
Receivables	3,711,309	5,813,823
Other current assets	1,580,881	1,139,426
Total Current Assets	97,356,599	64,547,154
Noncurrent Assets		
Property and equipment	72,668,128	50,895,174
Equity investment at cost	4,373,900	4,373,900
Software costs	205,207	156,545
Retirement asset	234,393	5,317,605
Total Noncurrent Assets	77,481,628	60,743,224
	₱174,838,227	₱125,290,378
LIABILITIES AND FUND BALANCE		
Current Liability		
Accounts payable and accrued expenses	₱20,853,505	₱13,083,066
Noncurrent Liability		
Lease liability	4,831,691	—
	25,685,196	13,083,066
Fund Balance		
General fund	5,000,000	5,000,000
Accumulated excess of revenue over expenses	144,153,031	107,207,312
	149,153,031	112,207,312
	₱174,838,227	₱125,290,378

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	
	2015	2014
REVENUE		
Seminars and trainings	₱151,557,691	₱106,417,348
Tuition fees and other school fees	1,825,905	–
Interest income	1,345,483	694,907
Donations and contributions (	808,393	–
Facilities fee	581,617	831,885
Dividend income	262,434	787,302
Others	446,778	606,130
	156,828,301	109,337,572
EXPENSES		
Cost of seminars, trainings and other programs	97,539,121	71,669,294
Tertiary expenses	1,510,533	–
Administrative:		
Remeasurement loss (gain) on retirement plan	6,307,130	(7,250,046)
Program monitoring and meetings	4,196,531	2,182,340
Transportation and travel	2,345,043	2,496,218
Compensation and employee benefits	2,048,237	3,499,694
Management and professional fees	1,755,600	2,593,810
Representation	651,488	1,568,583
Insurance	648,384	675,307
Depreciation and amortization expense	625,124	721,747
Information technology	508,555	431,760
Staff training and development	482,102	1,213,184
Taxes and licenses	449,542	564,042
Utilities	438,130	342,027
Provision (reversal of provision) for doubtful accounts	(425,676)	121,397
Supplies and materials	274,009	199,475
Janitorial, messengerial, and security	194,831	340,219
Communication and postage	189,816	167,614
Repairs and maintenance	101,037	56,441
Miscellaneous	43,045	43,537
	20,832,928	9,967,349
	119,882,582	81,636,643
EXCESS OF REVENUE OVER EXPENSES	36,945,719	27,700,929
FUND BALANCE AT BEGINNING OF YEAR	112,207,312	84,506,383
FUND BALANCE AT END OF YEAR	₱149,153,031	₱112,207,312

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

	Years Ended December 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses	₱36,945,719	₱27,700,929
Adjustments for:		
Depreciation and amortization expense	11,312,454	7,791,308
Remeasurement loss (gain) on retirement plan	6,307,130	(7,250,046)
Interest income	(1,345,483)	(694,907)
Retirement expense	615,987	1,742,883
Provision (reversal of provision) for doubtful accounts	(425,676)	121,397
Unrealized foreign exchange gain	(406,862)	(384,133)
Interest expense	309,057	—
Dividend income	(262,434)	(787,302)
Operating income before working capital changes	53,049,892	28,240,129
Changes in operating assets and liabilities:		
Decrease (increase) in amount of:		
Short-term investments	(51,690,481)	—
Receivables	2,777,641	2,675,163
Other current assets	(441,455)	(222,169)
Increase (decrease) in amount of:		
Accounts payable and accrued expenses	1,770,439	2,825,377
Net cash generated from operations	5,466,036	33,518,500
Contributions to retirement fund	(1,839,905)	(1,411,930)
Dividends received	262,434	787,302
Interest received	1,096,032	706,869
Net cash provided by operating activities	4,984,597	33,600,741
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(21,904,940)	(12,436,536)
Acquisition of software license	(88,448)	(14,929)
Net cash used in investing activities	(21,993,388)	(12,451,465)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of finance lease	(618,048)	—
Net cash used in financing activities	(618,048)	—
NET INCREASE (DECREASE) IN CASH IN BANKS	(17,626,839)	21,149,276
EFFECTS OF EXCHANGE RATE CHANGES ON CASH IN BANK	406,862	384,133
CASH IN BANKS AT BEGINNING OF YEAR	57,593,905	36,060,496
CASH IN BANKS AT END OF YEAR	₱40,373,928	₱57,593,905

**CARD-BUSINESS DEVELOPMENT SERVICE FOUNDATION, INC.
AND A SUBSIDIARY**
STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE

	Consolidated		Parent Company	
	December 31			
	2015	2014	2015	2014
ASSETS				
Current Assets				
Cash	₱3,923,914	₱3,356,592	₱1,824,886	₱2,406,321
Receivables	6,324,637	4,604,386	8,248,517	7,506,533
Other current assets	7,639,535	8,208,096	5,700,919	6,426,053
	17,888,086	16,169,074	15,774,322	16,338,907
Noncurrent Assets				
Available-for-sale investments	6,220,000	6,842,500	6,220,000	6,842,500
Investments in subsidiary and associates	26,581,446	32,766,962	28,581,446	33,735,712
Property and equipment	5,161,730	5,541,007	5,003,580	5,459,079
Retirement asset	—	539,278	59,711	539,278
Other noncurrent assets	900,000	900,000	900,000	900,000
	38,863,176	46,589,747	40,764,737	47,476,569
	₱56,751,262	₱62,758,821	₱56,539,059	₱63,815,476
LIABILITIES AND EQUITY				
Liabilities				
Current Liabilities				
Accounts payable and accrued expenses	₱8,944,388	₱17,326,349	₱8,403,705	₱16,763,882
Project assistance payable	1,250,000	2,500,000	1,250,000	2,500,000
	10,194,388	19,826,349	9,653,705	19,263,882
Noncurrent Liabilities				
Project assistance payable	—	1,250,000	—	1,250,000
Retirement liability	536,831	—	—	—
	536,831	1,250,000	—	1,250,000
	10,731,219	21,076,349	9,653,705	20,513,882
Fund Balance				
Fund balance attributable to Parent Company	45,466,923	41,816,259	46,885,354	43,301,594
Non-controlling interest	553,120	(133,787)	—	—
Total Fund Balance	46,020,043	41,682,472	46,885,354	43,301,594
	₱56,751,262	₱62,758,821	₱56,539,059	₱63,815,476

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

STATEMENTS OF REVENUE OVER EXPENSES

	Consolidated		Parent Company	
	Years Ended December 31			
	2015	2014	2015	2014
REVENUES				
Sales	₱9,531,439	₱14,867,893	₱—	₱—
Grants	25,000,000	41,416,857	25,000,000	41,416,857
Dividend income	145,050	287,750	145,050	287,750
Administrative fees	77,240	380,752	77,240	380,752
Other income	3,813,783	627,703	1,707,585	4,555,382
	38,567,512	57,580,955	26,929,875	46,640,741
EXPENSES				
Project related expenses	27,233,777	35,817,112	19,080,535	24,890,192
Compensation and employee benefits	2,567,014	3,298,859	1,554,190	3,110,743
Repairs and maintenance	844,328	477,363	816,897	412,506
Transportation and travel	802,818	764,755	619,117	638,796
Program monitoring and evaluation	688,347	594,383	608,250	540,989
Rental	643,083	612,712	501,225	329,175
Supplies and materials	508,095	369,263	190,974	204,620
Actuarial losses (gains)	446,516	(1,936,788)	(25,641)	(1,936,788)
Seminars and meetings	347,226	126,744	258,412	230,294
Management and professional fees	328,145	298,342	113,771	236,742
Research and documentation	263,424	—	263,424	—
Outsourced services	243,170	650,107	—	—
Training and development	226,867	230,588	217,907	230,588
Utilities	208,137	149,022	162,702	138,713
Depreciation	188,160	160,479	137,522	147,265
Communication	152,972	122,661	32,062	95,239
Janitorial, messengerial and security	131,772	117,908	131,772	116,018
Interest	37,054	316,861	37,054	316,861
Mark-to-market loss on fair value through profit and loss	—	1,133,787	—	1,133,787
Miscellaneous	889,704	489,875	580,426	367,787
	36,750,609	43,794,033	25,280,599	31,203,527
EXCESS OF REVENUE OVER EXPENSES BEFORE SHARE IN NET INCOME OF ASSOCIATES	1,816,903	13,786,922	1,649,276	15,437,214
SHARE IN TOTAL COMPREHENSIVE INCOME OF ASSOCIATES	1,934,484	3,344,979	1,934,484	5,606,962
EXCESS OF REVENUE OVER EXPENSES BEFORE INCOME TAX	3,751,387	17,131,901	3,583,760	21,044,176
PROVISION FOR INCOME TAX	366	80	—	—
EXCESS OF REVENUE OVER EXPENSES	₱3,751,021	₱17,131,821	₱3,583,760	₱21,044,176
ATTRIBUTABLE TO:				
Parent Company	₱3,650,664	₱17,296,858		
Non-controlling interest	100,357	(165,037)		
	₱3,751,021	₱17,131,821		

**CARD-BUSINESS DEVELOPMENT SERVICE FOUNDATION, INC.
AND A SUBSIDIARY**
STATEMENTS OF CHANGES IN FUND BALANCE

	Consolidated			Parent Company
	Fund Balance Attributable to the Parent Company	Non-controlling Interest	Total	Fund Balance
Balance at January 1, 2015	₱41,816,259	(₱133,787)	₱41,682,472	₱43,301,594
Increase in non-controlling interest in Mga Likha ni Inay's equity	—	586,550	586,550	—
Excess of revenue over expenses	3,650,664	100,357	3,751,021	3,583,760
Balance at December 31, 2015	₱45,466,923	₱553,120	₱46,020,043	₱46,885,354
Balance at January 1, 2014	₱24,519,401	₱—	₱24,519,401	₱22,257,418
Share of non-controlling interest in Mga Likha ni Inay's initial equity	—	31,250	31,250	—
Excess of revenue over expenses (Excess of expenses over revenue)	17,296,858	(165,037)	17,131,821	21,044,176
Balance at December 31, 2014	₱41,816,259	(₱133,787)	₱41,682,472	₱43,301,594

**CARD-BUSINESS DEVELOPMENT SERVICE FOUNDATION, INC.
AND A SUBSIDIARY**
STATEMENTS OF CASH FLOWS

	Consolidated		Parent Company	
	Years Ended December 31			
	2015	2014	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Excess of revenue over expenses	₱3,751,387	₱17,131,901	₱3,583,760	₱21,044,176
Adjustments for:				
Provision for impairment, credit and inventory losses	2,536,553	12,280,709	3,137,507	11,571,356
Share in net income of associates	(1,934,484)	(3,344,979)	(1,934,484)	(5,606,962)
Retirement expense	908,731	1,758,680	784,346	1,758,680
Depreciation	541,787	539,159	491,149	525,945
Actuarial loss (gain)	380,582	(6,917,099)	(91,575)	(6,917,099)
Dividend income	(145,050)	(287,750)	(145,050)	(287,750)
Interest expense	132,337	1,131,648	132,337	1,131,648
Interest income on deposits	(48,999)	(142,238)	(47,170)	(141,838)
Mark-to-market loss on financial asset at fair value through profit or loss	—	1,133,787	—	1,133,787
Grants	—	(26,616,857)	—	(26,616,857)
Operating income before working capital changes	6,122,844	(3,333,039)	5,910,820	(2,404,914)
Changes in operating assets and liabilities:				
Decrease (increase) in amount of:				
Receivables	988,257	6,718,275	(1,136,034)	3,816,128
Other current assets	176,058	717,583	(268,323)	3,208,899
Decrease in amount of:				
Accounts payable and accrued expenses	(4,484,519)	(2,817,427)	(1,360,177)	(3,379,814)
Net cash flows generated from operations	2,802,640	1,285,392	3,146,286	1,240,299
Contributions paid to retirement plan	(213,204)	(2,147,340)	(213,204)	(2,147,340)
Interest received	48,999	142,238	47,170	141,838
Income tax paid	(366)	(80)	—	—
Net cash flows provided by (used in) operating activities	2,638,069	(719,790)	2,980,252	(765,203)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Available-for-sale investments	(1,127,500)	(5,000,000)	(1,127,500)	(5,000,000)
Property and equipment	(162,510)	(5,027,130)	(35,650)	(4,931,988)
Investments in associates and subsidiary	—	—	(1,031,250)	(968,750)
Dividend received	1,265,050	1,127,750	1,265,050	1,127,750
Disposal of property	—	900,000	—	900,000
Net cash flows used in investing activities	(24,960)	(7,999,380)	(929,350)	(8,872,988)
CASH FLOWS FROM FINANCING ACTIVITIES				
Project assistance paid	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)
Proceeds from issuance of capital stock	586,550	31,250	—	—
Interest paid	(132,337)	(1,131,648)	(132,337)	(1,131,648)
Net cash flows used in financing activities	(2,045,787)	(3,600,398)	(2,632,337)	(3,631,648)
NET INCREASE (DECREASE) IN CASH	567,322	(12,319,568)	(581,435)	(13,269,839)
CASH AT BEGINNING OF YEAR	3,356,592	15,676,160	2,406,321	15,676,160
CASH AT END OF YEAR	₱3,923,914	₱3,356,592	₱1,824,886	₱2,406,321

CARD MRI INSURANCE AGENCY, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2015	2014
ASSETS		
Cash and Cash Equivalents	₱36,562,605	₱22,207,624
Financial Assets		
Loans and Receivables	109,263,105	116,876,062
Available for Sale Financial Assets	13,222,655	12,021,246
Property and Equipment - net	643,061	4,541,615
Investment Property	8,970,346	—
Deferred Tax Assets - net	506,655	623,369
Other Current Assets	2,746,783	3,466,005
	₱171,915,210	₱159,735,921
LIABILITIES AND EQUITY		
Liabilities		
Trade and other payables	₱142,051,598	₱137,334,770
Pension liability - net	257,859	1,652,809
	142,309,457	138,987,579
Equity		
Capital stock	17,656,000	9,510,000
Deposits for future stock subscription	—	4,412,000
Retained earnings	12,581,626	8,185,984
Remeasurement loss on defined benefit plan	(631,873)	(1,359,642)
	29,605,753	20,748,342
	₱171,915,210	₱159,735,921

CARD MRI INSURANCE AGENCY, INC.**STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31	
	2015	2014
REVENUE		
Commission income	₱50,844,506	₱29,515,730
Interest income	779,357	465,816
Reversal of provision for impairment losses	—	80
Other income	17,893	338,812
	51,641,756	30,320,438
EXPENSES		
Underwriting expenses	15,949,897	5,136,435
Training and development	6,546,702	4,521,770
Transportation and travel	5,471,741	2,359,036
Salaries and allowances	3,698,960	3,419,767
Information technology expense	1,461,841	169,159
Program monitoring and evaluation	1,122,137	854,301
Security and janitorial	744,964	344,402
Supplies	595,337	691,336
Professional fees	530,281	214,965
Pension expense	364,142	597,194
Depreciation	323,940	436,768
Insurance	295,478	275,333
Rent	187,263	131,316
Taxes and licenses	168,600	200,248
Communication and postage	152,140	165,955
Light and water	141,169	133,165
Repairs and maintenance	101,396	179,530
Interest expense	75,089	221,165
Provision for impairment losses	65,424	273,087
Representation and entertainment	29,070	35,172
Advertising and promotion	16,096	12,500
Other expenses	100,999	729,895
	38,142,666	21,102,499
INCOME BEFORE INCOME TAX	13,499,090	9,217,939
PROVISION FOR INCOME TAX	3,990,998	3,231,419
NET INCOME	₱9,508,092	₱5,986,520

CARD MRI INSURANCE AGENCY, INC.

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2015	2014
NET INCOME	₱9,508,092	₱5,986,520
OTHER COMPREHENSIVE INCOME		
<i>Items that will not to be reclassified to profit or loss in subsequent periods:</i>		
Remeasurement gain on defined benefit plan	1,039,670	1,993,231
Income tax effect	(311,901)	(597,969)
	727,769	1,395,262
TOTAL COMPREHENSIVE INCOME	₱10,235,861	₱7,381,782

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, 2015	₱9,510,000	₱—	₱8,185,984	(₱1,359,642)	₱4,412,000	₱20,748,342
Issuance of shares:						
Transfer from deposits for future stock subscription	4,412,000	—	—	—	(4,412,000)	—
Additional infusion during the year	3,734,000	—	—	—	—	3,734,000
Dividends	—	—	(5,112,450)	—	—	(5,112,450)
Total comprehensive income						
Net income	—	—	9,508,092	—	—	9,508,092
Other comprehensive income	—	—	—	727,769	—	727,769
At December 31, 2015	₱17,656,000	₱—	₱12,581,626	(₱631,873)	₱—	₱29,605,753
At January 1, 2014	₱9,500,000	₱—	₱5,049,464	(₱2,754,904)	₱1,770,500	₱13,565,060
Deposits during the year	—	—	—	—	2,651,500	2,651,500
Issuance of shares - transfer from deposits for future stock subscription	10,000	—	—	—	(10,000)	—
Dividends	—	—	(2,850,000)	—	—	(2,850,000)
Total comprehensive income						
Net income	—	—	5,986,520	—	—	5,986,520
Other comprehensive income	—	—	—	1,395,262	—	1,395,262
At December 31, 2014	₱9,510,000	₱—	₱8,185,984	(₱1,359,642)	₱4,412,000	₱20,748,342

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

	Years Ended December 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱13,499,090	₱9,217,939
Adjustments for:		
Interest income	(779,357)	(465,816)
Pension expense	364,142	597,194
Depreciation	323,940	436,768
Interest expense	75,089	221,165
Provision for impairment losses - net	65,424	273,007
Loss on disposal of available-for-sale securities	15,316	—
Operating income before working capital changes	13,563,644	10,280,257
Changes in operating assets and liabilities:		
Decrease in:		
Receivables	9,005,527	2,832,503
Other current assets	719,222	213,903
Increase in trade and other payables	4,716,828	13,345,760
Net cash generated from operations	28,005,221	26,672,423
Contributions made to the fund	(786,045)	(1,411,052)
Interest paid	(8,466)	—
Income tax paid	(4,186,185)	(2,888,735)
Net cash provided by operating activities	23,024,525	22,372,636
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	521,363	238,002
Acquisitions of:		
Investment property	(5,075,000)	—
Short term investments	(1,200,000)	—
Available-for-sale financial assets	(1,242,175)	(1,000,000)
Property and equipment	(320,732)	(3,918,844)
Proceeds from disposals of available for sale financial assets	25,450	—
Net cash used in investing activities	(7,291,094)	(4,680,842)
CASH FLOWS FROM FINANCING ACTIVITIES		
Additional capital infusion	3,734,000	—
Deposit for future stock subscription	—	2,651,500
Dividends paid	(5,112,450)	(2,850,000)
Net cash used in financing activities	(1,378,450)	(198,500)
NET INCREASE IN CASH AND CASH EQUIVALENTS	14,354,981	17,493,294
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	22,207,624	4,714,330
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱36,562,605	₱22,207,624

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

	December 31	
	2015	2014
ASSETS		
Cash and Other Cash Items	₱9,582,664	₱6,679,030
Due from Bangko Sentral ng Pilipinas	106,715,506	81,135,679
Due from Other Banks	236,909,601	112,018,132
Held-to-Maturity Investments	10,967,990	11,077,148
Loans and Receivables	1,814,407,006	1,346,444,270
Property and Equipment	119,937,297	63,588,207
Investment Properties	15,812,550	16,602,232
Intangible Assets	4,840,245	4,772,600
Retirement Asset	45,280,571	33,636,973
Deferred Tax Assets	15,469,585	11,191,703
Other Assets	25,224,117	13,243,366
TOTAL ASSETS	₱2,405,147,132	₱1,700,389,340
LIABILITIES AND EQUITY		
Liabilities		
Deposit Liabilities		
Savings	₱1,225,752,973	₱946,446,592
Demand	4,145,437	1,943,417
	1,229,898,410	948,390,009
Bills Payable	487,105,882	260,000,000
Income Tax Payable	27,930,999	18,526,629
Other Liabilities	68,369,273	41,255,248
	1,813,304,564	1,268,171,886
Equity		
Common Stock	408,656,400	296,943,600
Surplus	167,819,526	114,941,606
Remeasurement Gains on Retirement Plan	15,366,642	20,332,248
	591,842,568	432,217,454
TOTAL LIABILITIES AND EQUITY	₱2,405,147,132	₱1,700,389,340

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

	Years Ended December 31	
	2015	2014
INTEREST INCOME		
Loans and receivables	₱728,384,986	₱546,771,661
Due from other banks	1,846,590	1,289,378
Held-to-maturity investments	654,752	1,268,790
	730,886,328	549,329,829
INTEREST EXPENSE		
Deposit liabilities	23,447,058	21,451,361
Bills payable	7,312,365	1,247,715
Others	129,705	156,760
	30,889,128	22,855,836
NET INTEREST INCOME	699,997,200	526,473,993
OTHER INCOME		
Gain on sale of assets	1,140,727	2,284,799
Miscellaneous	2,490,978	2,290,920
TOTAL OPERATING INCOME	703,628,905	531,049,712
OPERATING EXPENSES		
Compensation and fringe benefits	211,061,053	174,402,398
Transportation and travel	42,986,875	32,196,507
Taxes and licenses	41,457,784	34,520,504
Occupancy	23,403,633	17,063,839
Stationery and office supplies	21,980,452	16,208,497
Employee trainings	20,826,670	20,197,087
Provision for credit and impairment losses	17,883,881	16,105,130
Depreciation and amortization	15,323,000	10,727,405
Meetings and seminars	11,813,684	7,064,745
Information technology	11,589,381	7,121,032
Security, messengerial and janitorial	11,376,626	8,312,008
Representation and entertainment	9,938,765	5,799,346
Program monitoring	6,319,190	1,098,556
Insurance	6,075,423	6,309,991
Power, light and water	4,884,049	4,103,508
Postage, telephone and cable	4,542,992	3,100,328
Professional fees	3,716,874	1,985,187
Repairs and maintenance	3,232,861	3,560,496
Fines, penalties and other charges	3,187,160	1,575,116
Miscellaneous	11,738,863	13,161,969
TOTAL OPERATING EXPENSES	483,339,216	384,613,649
INCOME BEFORE INCOME TAX	220,289,689	146,436,063
PROVISION FOR INCOME TAX	67,511,417	44,284,204
NET INCOME	₱152,778,272	₱102,151,859

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

	Years Ended December 31	
	2015	2014
NET INCOME	₱152,778,272	₱102,151,859
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Other comprehensive gain (loss) not recycled to profit or loss in subsequent periods:</i>		
Remeasurement gains (losses) on retirement plan	(7,093,723)	64,918,484
Income tax effect	2,128,117	(19,475,545)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	(4,965,606)	45,442,939
TOTAL COMPREHENSIVE INCOME	₱147,812,666	₱147,594,798

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

	Common Stock	Surplus	Remeasurement Gains (Losses) on Retirement Plan	Total
Balance at January 1, 2015	₱296,943,600	₱114,941,606	₱20,332,248	₱432,217,454
Collection of subscriptions receivable	111,712,800	—	—	111,712,800
Total comprehensive income (loss) for the year	—	152,778,272	(4,965,606)	147,812,666
Cash dividends declared	—	(99,900,352)	—	(99,900,352)
Balance at December 31, 2015	₱408,656,400	₱167,819,526	₱15,366,642	₱591,842,568
Balance at January 1, 2014	₱251,019,938	₱41,823,625	(₱25,110,691)	₱267,732,872
Collection of subscriptions receivable	45,923,662	—	—	45,923,662
Total comprehensive income for the year	—	102,151,859	45,442,939	147,594,798
Cash dividends declared	—	(29,033,878)	—	(29,033,878)
Balance at December 31, 2014	₱296,943,600	₱114,941,606	₱20,332,248	₱432,217,454

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

	Years Ended December 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱220,289,689	₱146,436,063
Adjustments for:		
Provision for credit and impairment losses	17,883,881	16,105,130
Depreciation and amortization	15,323,000	10,727,405
Retirement expense	7,289,679	19,004,870
Gain on sale of investment properties	(1,140,727)	(2,284,799)
Amortization of bills payable	375,024	—
Amortization of held to maturity investments and unquoted debt securities	177,007	238,800
Loss on retirement of assets	16,123	225,561
Changes in operating assets and liabilities:		
Increase in the amounts of:		
Loans and receivables	(485,268,783)	(456,977,954)
Other assets	(11,980,752)	(2,662,140)
Increase in the amounts of:		
Deposit liabilities	281,508,401	119,934,943
Other liabilities	10,616,454	12,389,976
Net cash generated from (used in) operations	55,088,996	(136,862,145)
Income taxes paid	(62,629,164)	(41,311,933)
Contributions to the retirement fund	(26,027,000)	(16,813,182)
Net cash used in operating activities	(33,567,168)	(194,987,260)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment	(53,796,681)	(36,749,553)
Intangible assets	(1,326,692)	(4,772,600)
Unquoted debt securities	—	(3,014,795)
Proceeds from sale or maturities of:		
Investment properties	620,000	5,448,508
Unquoted debt securities	529,812	3,271,846
Held-to-maturity investments	—	14,820,155
Net cash used in investing activities	(53,973,561)	(20,996,439)
CASH FLOWS FROM FINANCING ACTIVITIES		
Availments of bills payable	486,730,858	285,000,000
Settlement of bills payable	(260,000,000)	(25,000,000)
Collections of subscriptions receivable	111,712,800	45,923,662
Cash dividends paid	(97,527,999)	(28,783,690)
Net cash provided by financing activities	240,915,659	277,139,972

	Years Ended December 31	
	2015	2014
NET INCREASE IN CASH AND CASH EQUIVALENTS	₱153,374,930	₱61,156,273
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	6,679,030	4,610,455
Due from Bangko Sentral ng Pilipinas	81,135,679	50,603,710
Due from other banks	112,018,132	83,462,403
	199,832,841	138,676,568
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and other cash items	9,582,664	6,679,030
Due from Bangko Sentral ng Pilipinas	106,715,506	81,135,679
Due from other banks	236,909,601	112,018,132
	₱353,207,771	₱199,832,841
OPERATIONAL CASH FLOWS FROM INTEREST		
Interest received	₱720,196,192	₱555,943,376
Interest paid	29,791,673	23,050,898

CARD MRI INFORMATION TECHNOLOGY, INC.**STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2015	2014
ASSETS		
Current Assets		
Cash	₱61,473,148	₱68,274,902
Accounts receivable	166,860	589,085
Other current assets	3,721,381	1,344,588
Total current assets	65,361,389	70,208,575
Noncurrent Assets		
Available-for-sale investments	577,000	452,000
Property and equipment	11,599,682	3,003,933
Software costs	33,670,042	3,090,803
Retirement asset	—	3,792,934
Deferred tax asset	1,907,457	—
Total noncurrent assets	47,754,181	10,339,670
TOTAL ASSETS	₱113,115,570	₱80,548,245
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Trade and other payables	₱5,972,552	₱5,504,498
Income tax payable	2,486,843	1,675,224
Total current liabilities	8,459,395	7,179,722
Noncurrent Liabilities		
Retirement liability	682,838	—
Deferred tax liability	—	529,788
Total noncurrent liabilities	682,838	529,788
	9,142,233	7,709,510
Equity		
Capital stock	78,271,416	53,763,158
Retained earnings	30,004,227	17,269,117
Remeasurement gain (loss) on retirement plan	(4,302,306)	1,806,460
	103,973,337	72,838,735
TOTAL LIABILITIES AND EQUITY	₱113,115,570	₱80,548,245

CARD MRI INFORMATION TECHNOLOGY, INC.

STATEMENTS OF INCOME

	Years Ended December 31	
	2015	2014
INCOME		
Service	₱90,785,704	₱69,625,587
Interest	2,302,006	1,889,098
Miscellaneous	734,088	93,744
	93,821,798	71,608,429
COST OF INFORMATION TECHNOLOGY SERVICES	27,597,667	22,774,941
GENERAL AND ADMINISTRATIVE EXPENSES		
Information technology expense	9,517,882	7,640,618
Salaries, wages and other benefits	9,467,665	7,210,450
Management and other professional fees	3,877,458	2,106,642
Seminars and meetings	2,595,654	1,144,623
Postage, telephone, cables and telegrams	2,533,593	1,024,429
Fuel and lubricants	2,220,029	1,539,762
Honorarium	1,991,252	1,969,225
Rent expense	1,681,135	807,203
Depreciation expense	1,457,144	1,098,165
Stationery and supplies used	1,345,394	560,896
Security, messengerial and janitorial services	1,329,243	715,088
Power, light and water	1,055,084	949,404
Staff training and development	956,378	2,106,932
Taxes and licenses	503,017	600,570
Insurance expense	494,959	559,736
Service fee expense	411,431	326,252
Miscellaneous	2,233,573	470,845
	43,670,891	30,830,840
	71,268,558	53,605,781
INCOME BEFORE INCOME TAX	22,553,240	18,002,648
PROVISION FOR INCOME TAX	6,592,340	5,186,473
NET INCOME	₱15,960,900	₱12,816,175

CARD MRI INFORMATION TECHNOLOGY, INC.

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2015	2014
NET INCOME	₱15,960,900	₱12,816,175
OTHER COMPREHENSIVE GAIN (LOSS)		
Other comprehensive gain (loss) not to be reclassified to profit or loss in subsequent periods:		
Remeasurement gain (loss) on retirement plan	(8,726,809)	8,133,187
Income tax effect	2,618,043	(2,439,956)
OTHER COMPREHENSIVE INCOME (LOSS)	(6,108,766)	5,693,231
TOTAL COMPREHENSIVE INCOME	₱9,852,134	₱18,509,406

CARD MRI INFORMATION TECHNOLOGY, INC.

STATEMENTS OF CHANGES IN EQUITY

	Capital Stock	Retained Earnings	Remeasurement Gain (Loss) on Retirement Plan	Total
Balances at January 1, 2015	₱53,763,158	₱17,269,117	₱1,806,460	₱72,838,735
Issuance of capital stock	24,508,258	—	—	24,508,258
Total comprehensive income for the year	—	15,960,900	(6,108,766)	9,852,134
Dividend declared during the year	—	(3,225,790)	—	(3,225,790)
Balances at December 31, 2015	₱78,271,416	₱30,004,227	(₱4,302,306)	₱103,973,337
Balances at January 1, 2014	₱47,898,746	₱13,234,746	(₱3,886,771)	₱57,246,721
Issuance of capital stock	5,864,412	—	—	5,864,412
Total comprehensive income for the year	—	12,816,175	5,693,231	18,509,406
Dividend declared during for the year	—	(8,781,804)	—	(8,781,804)
Balances at December 31, 2014	₱53,763,158	₱17,269,117	₱1,806,460	₱72,838,735

CARD MRI INFORMATION TECHNOLOGY, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱22,553,240	₱18,002,648
Adjustments for:		
Depreciation and amortization	7,087,356	6,984,029
Interest income	(2,302,006)	(1,889,098)
Retirement expense	807,202	2,308,825
Provision for impairment losses	31,966	—
Changes in operating assets and liabilities:		
Decrease (increase) in the amounts of:		
Accounts receivable	422,225	(571,799)
Other current assets	(2,359,660)	185,806
Decrease in trade and other payables	(1,734,112)	(7,608,745)
Net cash generated from operations	24,506,211	17,411,666
Contributions to retirement fund	(5,058,239)	(1,370,598)
Income tax paid	(3,401,520)	(3,325,483)
Interest received	2,252,907	1,889,098
Net cash flows provided by operating activities	18,299,359	14,604,683
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Software	(33,613,914)	(712,629)
Property and equipment	(12,648,430)	(1,220,897)
Available-for-sale investments	(125,000)	(81,500)
Cash flows used in investing activities	(46,387,344)	(2,015,026)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of capital stock	24,508,258	5,864,412
Dividend distribution	(3,222,027)	(8,770,300)
Net cash provided by (used in) financing activities	21,286,231	(2,905,888)
NET INCREASE (DECREASE) IN CASH	(6,801,754)	9,683,769
CASH AT BEGINNING OF YEAR	68,274,902	58,591,133
CASH AT END OF YEAR	₱61,473,148	₱68,274,902

BOTICARD INC.**STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2015	2014
ASSETS		
Current Assets		
Cash and cash equivalents	₱17,176,458	₱14,162,892
Trade and other receivables	4,041,369	1,065,402
Inventories	9,473,966	8,803,304
Other current assets	192,761	116,934
Total Current Assets	30,884,554	24,148,532
Noncurrent Assets		
Property and equipment	1,288,952	1,026,551
Deferred tax assets	362,452	257,685
Retirement asset	–	718,610
Other noncurrent assets	780,435	553,121
Total Noncurrent Assets	2,431,839	2,555,967
TOTAL ASSETS	₱33,316,393	₱26,704,499
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	₱6,177,854	₱3,789,128
Value added tax (VAT) payable	670,460	545,524
Finance lease payable - current portion	89,332	–
Income tax payable	453,677	101,093
Total Current Liabilities	7,391,323	4,435,745
Noncurrent Liabilities		
Retirement liability	3,061,453	–
Financial lease payable - net of current portion	79,694	–
Deposits for future stock subscription	–	7,274,500
Total Noncurrent Liabilities	3,141,147	7,274,500
TOTAL LIABILITIES	10,532,470	11,710,245
Equity		
Capital stock	20,732,500	10,000,000
Retained earnings	5,336,831	4,257,049
Remeasurement gain (loss) on retirement plan	(3,285,408)	737,205
TOTAL EQUITY	22,783,923	14,994,254
	₱33,316,393	₱26,704,499

BOTICARD INC.
STATEMENTS OF INCOME

	Years Ended December 31	
	2015	2014
NET SALES	₱52,116,741	₱44,002,100
COST OF SALES	24,567,037	18,837,115
GROSS PROFIT	27,549,704	25,164,985
GENERAL AND ADMINISTRATIVE EXPENSES	11,824,017	10,737,474
SELLING AND DISTRIBUTION EXPENSES	14,576,322	12,327,733
OPERATING INCOME	1,149,365	2,099,778
OTHER INCOME		
Gain on sale of asset – net	108,844	–
Interest	200,454	218,444
Miscellaneous	114,974	29,616
INCOME BEFORE INCOME TAX	1,573,637	2,347,838
PROVISION FOR INCOME TAX	493,855	1,084,611
NET INCOME	₱1,079,782	₱1,263,227

BOTICARD INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2015	2014
NET INCOME	₱1,079,782	₱1,263,227
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Items that may not be classified to the statement of income:</i>		
Remeasurement gain (loss) on retirement plan	(4,022,613)	3,103,388
Income tax effect	–	(931,016)
	(4,022,613)	2,172,372
TOTAL COMPREHENSIVE INCOME (LOSS)	(₱2,942,831)	₱3,435,599

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

	Capital Stock	Retained Earnings	Remeasurement Gain (Loss) on Retirement Plan	Total
Balance at January 1, 2015	₱10,000,000	₱4,257,049	₱737,205	₱14,994,254
Conversion of deposits for future stock subscription to paid-in capital	10,732,500	—	—	10,732,500
Total comprehensive loss for the year	—	1,079,782	(4,022,613)	(2,942,831)
Balance at December 31, 2015	₱20,732,500	₱5,336,831	(₱3,285,408)	₱22,783,923
Balance at January 1, 2014	₱7,060,500	₱2,993,822	(₱1,435,167)	₱8,619,155
Conversion of deposits for future stock subscription to paid-in capital	2,321,000	—	—	2,321,000
Collection of subscription receivable	618,500	—	—	618,500
Total comprehensive income for the year	—	1,263,227	2,172,372	3,435,599
Balance at December 31, 2014	₱10,000,000	₱4,257,049	₱737,205	₱14,994,254

BOTICARD INC.**STATEMENTS OF CASH FLOWS**

	Years Ended December 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱1,573,637	₱2,347,838
Adjustments for:		
Depreciation and amortization	752,175	1,203,916
Retirement expense	557,450	1,101,512
Gain on sale of asset - net	(108,844)	—
Interest income	(200,454)	(218,444)
Changes in operating assets and liabilities:		
(Increase) decrease in the amounts of:		
Trade and other receivables	(2,975,967)	3,586,110
Inventories	(670,662)	(5,586,700)
Other current assets	(75,827)	(498,554)
Increase (decrease) in the amounts of:		
Trade and other payables	2,388,726	239,766
VAT payable	124,936	(2,268,645)
Net cash generated from (used in) operations	1,365,170	(93,201)
Interest income received	200,454	218,444
Income taxes paid	(246,038)	(2,032,335)
Contribution to retirement fund	(800,000)	(1,718,008)
Net cash provided by (used in) operating activities	519,586	(3,625,100)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment	(959,590)	(615,391)
Proceeds from sale of property and equipment	261,883	—
Additional refundable rental deposits and advance rent	(227,314)	—
Net cash used in investing activities	(925,021)	(615,391)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of capital stock	3,458,000	618,500
Payment of finance lease liability	(38,999)	—
Dividends paid	—	(994,500)
Net cash flows provided by (used in) financing activities	3,419,001	(376,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,013,566	(4,616,491)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	14,162,892	18,779,383
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱17,176,458	₱14,162,892

RIZAL BANK, INC., A MICROFINANCE-ORIENTED RURAL BANK**(Formerly Rizal Rural Bank (Taytay, Rizal), Inc.)****STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2015	2014
ASSETS		
Cash and other cash items	₱2,614,949	₱1,973,592
Due from Bangko Sentral ng Pilipinas	20,674,211	11,071,066
Due from other banks	169,717,670	85,021,956
Loans and receivables	806,294,187	484,459,528
Held-to-maturity investments	2,000,924	2,006,130
Property and equipment	54,418,602	31,340,153
Investment property	—	490,160
Deferred tax assets	5,767,580	1,947,578
Retirement asset	6,902,974	3,386,708
Other assets	10,893,982	8,213,960
	₱1,079,285,079	₱629,910,831
LIABILITIES AND EQUITY		
Liabilities		
Deposit liabilities		
Regular savings	₱322,124,579	₱188,496,441
Special savings	208,863,014	118,853,798
	530,987,593	307,350,239
Bills payable	291,730,252	175,000,000
Income tax payable	13,812,525	6,501,183
Deposits for future stock subscription	—	47,500,000
Other liabilities	14,392,376	11,674,914
	850,922,746	548,026,336
Equity		
Capital stock		
Common stock	123,202,800	49,000,000
Preferred stock	9,827,600	—
Retained earnings	95,703,594	28,962,035
Remeasurement gains (losses) on retirement plan	(371,661)	3,922,460
	228,362,333	81,884,495
	₱1,079,285,079	₱629,910,831

RIZAL BANK, INC., A MICROFINANCE-ORIENTED RURAL BANK
(Formerly Rizal Rural Bank (Taytay, Rizal), Inc.)

STATEMENTS OF INCOME

	Years Ended December 31	
	2015	2014
INTEREST INCOME		
Loans and receivables	₱308,464,877	₱147,399,372
Due from other banks	1,846,011	524,218
Held-to-maturity investments	114,793	114,980
	310,425,681	148,038,570
INTEREST EXPENSE		
Deposit liabilities	15,772,013	8,996,089
Bills payable	6,313,948	638,972
	22,085,961	9,635,061
NET INTEREST INCOME	288,339,720	138,403,509
Miscellaneous	139,511	115,067
TOTAL OPERATING INCOME	288,479,231	138,518,576
OPERATING EXPENSES		
Compensation and benefits	65,473,347	43,029,699
Taxes and licenses	17,892,204	9,453,148
Transportation and travel	11,314,082	5,972,885
Provision for credit losses	10,740,563	4,671,862
Stationeries and supplies	6,904,884	4,127,006
Rent	7,720,246	3,366,922
Training and development	6,152,903	3,328,063
Depreciation and amortization	6,091,272	2,743,854
Security, messengerial, janitorial services	4,895,899	2,491,622
Fuel and lubricants	4,598,022	2,780,645
Information technology	3,254,724	1,904,804
Power, light and water	2,097,893	1,150,196
Seminars and meetings	1,818,008	543,043
Insurance	1,633,009	1,823,056
Professional fees	1,057,440	385,605
Miscellaneous	4,365,203	2,708,411
	156,009,699	90,480,821
INCOME BEFORE INCOME TAX	132,469,532	48,037,755
PROVISION FOR INCOME TAX	39,727,973	15,268,769
NET INCOME	₱92,741,559	₱32,768,986

RIZAL BANK, INC., A MICROFINANCE-ORIENTED RURAL BANK
(Formerly Rizal Rural Bank (Taytay, Rizal), Inc.)
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2015	2014
NET INCOME	₱92,741,559	₱32,768,986
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Other comprehensive income (loss) not recycled to profit or loss in subsequent periods:</i>		
Remeasurement gains (losses) on retirement plan	(6,134,459)	13,445,742
Income tax effect	1,840,338	(4,033,722)
	(4,294,121)	9,412,020
TOTAL COMPREHENSIVE INCOME	₱88,447,438	₱42,181,006

RIZAL BANK, INC., A MICROFINANCE-ORIENTED RURAL BANK
(Formerly Rizal Rural Bank (Taytay, Rizal), Inc.)
STATEMENTS OF CHANGES IN EQUITY

	Capital Stock	Preferred Stock	Retained Earnings (Deficit)	Remeasurement Gains (Losses) on Retirement Plan	Total
Balances at January 1, 2015	₱49,000,000	₱–	₱28,962,035	₱3,922,460	₱81,884,495
Issuance of shares	74,202,800	9,827,600	–	–	84,030,400
Total comprehensive income for the year	–	–	92,741,559	(4,294,121)	88,447,438
Declaration of dividends	–	–	(26,000,000)	–	(26,000,000)
Balances at December 31, 2015	₱123,202,800	₱9,827,600	₱95,703,594	(₱371,661)	₱228,362,333
Balances at January 1, 2014	₱17,500,000	₱–	(₱3,806,951)	(₱5,489,560)	₱8,203,489
Issuance of shares	31,500,000	–	–	–	31,500,000
Total comprehensive income for the year	–	–	32,768,986	9,412,020	42,181,006
Balances at December 31, 2014	₱49,000,000	₱–	₱28,962,035	₱3,922,460	₱81,884,495

RIZAL BANK, INC., A MICROFINANCE-ORIENTED RURAL BANK
(Formerly Rizal Rural Bank (Taytay, Rizal), Inc.)

STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱132,469,532	₱48,037,755
Adjustments for:		
Provision for credit and impairment losses	10,740,563	4,671,862
Depreciation and amortization	6,091,272	2,743,854
Retirement expense	2,349,275	4,071,087
Loss on retirement of property and equipment	177,781	—
Loss on sale of investment property	90,160	—
Amortization of held-to-maturity investments	5,206	5,021
Operating income before changes in operating assets and liabilities:	151,923,789	59,529,579
Increase in:		
Loans and receivables	(332,575,222)	(318,901,342)
Other assets	(2,268,541)	(5,561,576)
Increase in:		
Deposit liabilities	223,637,354	123,121,616
Other liabilities	2,717,462	6,910,334
Net cash provided by (used in) operations	43,434,842	(134,901,389)
Income taxes paid	(34,396,295)	(11,896,635)
Contributions to retirement fund	(12,000,000)	(9,617,623)
Net cash used in operating activities	(2,961,453)	(156,415,647)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment	(29,164,785)	(9,699,756)
Software costs	(667,952)	(1,002,785)
Proceeds from disposal of:		
Investment properties	400,000	—
Property and equipment	73,754	—
Net cash used in investing activities	(29,358,983)	(10,702,541)
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from:		
Availment of bills payable	303,813,585	175,000,000
Issuance of common stock	26,702,800	—
Issuance of preferred stock	9,827,600	—
Deposit for future stock subscription	—	46,500,000
Payments of bills payable	(187,083,333)	—
Payment of dividend	(26,000,000)	—
Net cash provided by financing activities	127,260,652	221,500,000

	Years Ended December 31	
	2015	2014
NET INCREASE IN CASH AND CASH EQUIVALENTS	₱94,940,216	₱54,381,812
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	1,973,592	380,545
Due from Bangko Sentral ng Pilipinas	11,071,066	4,115,479
Due from other banks	85,021,956	39,188,778
	98,066,614	43,684,802
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and other cash items	2,614,949	1,973,592
Due from Bangko Sentral ng Pilipinas	20,674,211	11,071,066
Due from other banks	169,717,670	85,021,956
	₱193,006,830	₱98,066,614
OPERATIONAL CASH FLOWS FROM INTEREST		
Interest received	₱305,826,699	₱145,619,661
Interest paid	21,497,110	8,915,387

CARD LEASING AND FINANCE CORPORATION

STATEMENTS OF FINANCIAL POSITION

	December 31	
	2015	2014
ASSETS		
Current Assets		
Cash	₱12,793,254	₱12,269,544
Trade and other receivables	18,442,151	14,785,683
Inventories	1,385,748	2,901,658
Input value added tax – net	7,974,340	2,953,389
Other current assets	6,858,130	1,784,421
	47,453,623	34,694,695
Noncurrent Assets		
Trade and other receivables	30,827,205	16,452,560
Equipment held for lease	137,667,027	79,592,000
Property and equipment	825,990	1,313,100
Intangible assets	885,416	2,020,833
Retirement asset	723,992	2,318,657
Deferred tax assets	590,791	–
	171,520,421	101,697,150
TOTAL ASSETS	₱218,974,044	₱136,391,845
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	₱14,997,508	₱6,185,913
Loans payable	43,813,546	27,253,515
	58,811,054	33,439,428
Noncurrent Liabilities		
Loans payable	87,977,914	57,373,372
Deferred tax liabilities	–	687,691
Other noncurrent liabilities	14,115,381	–
	102,093,295	58,061,063
	160,904,349	91,500,491
Equity		
Capital stock	42,704,260	33,174,200
Retained earnings	14,843,383	10,112,544
Remeasurement gain on retirement plan	522,052	1,604,610
	58,069,695	44,891,354
TOTAL LIABILITIES AND EQUITY	₱218,974,044	₱136,391,845

CARD LEASING AND FINANCE CORPORATION

STATEMENTS OF INCOME

	Years Ended December 31	
	2015	2014
OPERATING INCOME		
Sales from printing	₱51,244,094	₱67,859,731
Cost of sales	(43,603,612)	(56,293,133)
Gross income from printing	7,640,482	11,566,598
Rental and finance income	67,803,235	31,829,817
Interest income	3,496,625	1,391,919
	78,940,342	44,788,334
EXPENSES		
Depreciation and amortization	52,691,307	22,503,713
Interest	4,970,765	2,261,768
Compensation and benefits	3,141,963	2,748,707
Insurance	2,124,510	2,767,447
Provision for credit and impairment losses	1,363,652	515,016
Seminars and meetings	1,112,940	869,984
Taxes and licenses	687,454	90,980
Professional fees	581,861	203,177
Transportation and travel	482,318	211,315
Supplies and materials	372,467	201,965
Program monitoring and evaluation	362,292	1,280,427
Utilities	123,357	133,443
Rental	120,000	120,000
Staff training and development	84,586	405,634
Miscellaneous	474,275	588,467
	68,693,747	34,902,043
INCOME BEFORE INCOME TAX	10,246,595	9,886,291
PROVISION FOR INCOME TAX	2,715,756	3,102,384
NET INCOME	₱7,530,839	₱6,783,907

CARD LEASING AND FINANCE CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2015	2014
NET INCOME	₱7,530,839	₱6,783,907
OTHER COMPREHENSIVE INCOME		
<i>Item that may not be reclassified to the statement of income:</i>		
Remeasurement gain (loss) on retirement plan	(1,546,511)	1,968,985
Income tax effect	463,953	(590,696)
	(1,082,558)	1,378,289
TOTAL COMPREHENSIVE INCOME	₱6,448,281	₱8,162,196

CARD LEASING AND FINANCE CORPORATION

STATEMENTS OF CHANGES IN EQUITY

	Common Stock	Retained Earnings	Remeasurement Gain on Retirement Plan	Total
Balance at January 1, 2015	₱33,174,200	₱10,112,544	₱1,604,610	₱44,891,354
Collection of subscription receivable	9,530,060	—	—	9,530,060
Total comprehensive income for the year	—	7,530,839	(1,082,558)	6,448,281
Cash dividends declared and paid	—	(2,800,000)	—	(2,800,000)
Balance at December 31, 2015	₱42,704,260	₱14,843,383	₱522,052	₱58,069,695
Balance at January 1, 2014	₱30,143,800	₱5,428,637	₱226,321	₱35,798,758
Collection of subscription receivable	3,030,400	—	—	3,030,400
Total comprehensive income for the year	—	6,783,907	1,378,289	8,162,196
Cash dividends declared and paid	—	(2,100,000)	—	(2,100,000)
Balance at December 31, 2014	₱33,174,200	₱10,112,544	₱1,604,610	₱44,891,354

CARD LEASING AND FINANCE CORPORATION**STATEMENTS OF CASH FLOWS**

	Years Ended December 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱10,246,595	₱9,886,291
Adjustments for:		
Depreciation and amortization	52,691,307	22,503,713
Interest expense	4,970,765	2,261,768
Interest income	(3,496,625)	(1,391,919)
Provision for credit losses	1,363,652	515,016
Amortization of debt issue cost	231,240	112,604
Retirement expense	48,154	431,700
Changes in operating assets and liabilities:		
Increase (decrease) in the amounts of:		
Trade and other receivables	(19,325,146)	(13,159,921)
Other current assets	(13,671,074)	(4,197,261)
Inventories	1,515,910	(487,509)
Increase in trade and other payables	22,980,240	318,313
Net cash generated from operations	57,555,018	16,792,795
Interest received	3,496,625	1,391,919
Interest paid	(5,024,029)	(2,010,035)
Income taxes paid	(23,490)	(3,929,422)
Contributions to the retirement fund	—	(781,373)
Net cash provided by operating activities	56,004,124	11,463,884
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Equipment held for lease	(109,061,178)	(70,968,554)
Property and equipment	(82,629)	(993,680)
Cash used in investing activities	(109,143,807)	(71,962,234)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Availment of loans	80,000,000	76,000,000
Collection of subscription receivable	9,530,060	3,030,400
Payments for:		
Settlement of loans payable	(32,666,667)	(11,000,000)
Dividends paid	(2,800,000)	(2,100,000)
Documentary stamp taxes on loans	(400,000)	(380,000)
Net cash flows provided by financing activities	53,663,393	65,550,400
NET INCREASE IN CASH	523,710	5,052,050
CASH AT BEGINNING OF YEAR	12,269,544	7,217,494
CASH AT END OF YEAR	₱12,793,254	₱12,269,544

CARD PIONEER MICROINSURANCE INC.
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2015	2014
ASSETS		
Cash and cash equivalents	₱505,696,991	₱414,226,764
Insurance receivables - net	52,599,276	38,688,912
Financial assets		
Financial assets at fair value through profit or loss	8,470,000	—
Available-for-sale financial assets	20,000	20,000
Held-to-maturity investments	104,349,041	105,675,721
Interest receivable	1,814,544	1,923,538
Deferred acquisition Costs	10,092,393	9,016,532
Reinsurance assets	16,658,292	1,296,980
Investment property - net	10	10
Property and equipment - net	2,665,134	3,933,096
Deferred tax assets - net	26,819,662	25,703,865
Other assets	1,896,160	4,215,743
	₱731,081,503	₱604,701,161
LIABILITIES AND EQUITY		
Liabilities		
Insurance contract liabilities	₱162,691,525	₱72,415,500
Insurance payables	46,242,864	12,515,081
Deferred reinsurance commissions	70,448	324,824
Pension liability	2,084,704	1,800,186
Accounts payable and other liabilities	13,041,403	20,869,610
Income tax payable	175,752	—
	224,306,696	107,925,201
Equity		
Capital stock	490,196,100	490,196,100
Contributed surplus	28,823,532	28,823,532
Deficit	(12,235,717)	(22,243,672)
Net remeasurement loss on defined benefit obligation	(9,107)	—
	506,774,808	496,775,960
	₱731,081,503	₱604,701,161

CARD PIONEER MICROINSURANCE INC.

STATEMENTS OF INCOME

	Years Ended December 31	
	2015	2014
REVENUE		
Gross earned premiums on insurance contracts	₱167,685,257	₱35,574,605
Reinsurers' share of gross earned premiums on insurance contracts	(31,208,260)	(16,791,833)
Net earned premiums	136,476,997	18,782,772
Interest income	16,961,125	17,041,099
Commission income	1,096,876	283,924
Foreign currency exchange gains – net	128,604	63,911
	154,663,602	36,171,706
BENEFITS, CLAIMS AND EXPENSES		
Gross insurance contract benefits and claims paid	58,183,011	81,149,222
Reinsurers' share of gross insurance contract benefits and claims paid	(113,604)	(31,055,034)
Gross change in provision for claims reported	19,922,153	25,288,953
Net insurance benefits and claims	77,991,560	75,383,141
Commission expense	27,954,518	6,901,811
General expenses	35,625,957	22,783,968
Interest expense	125,175	265,612
Provision for impairment losses	–	110,393
	141,697,210	105,444,925
INCOME (LOSS) BEFORE INCOME TAX	12,966,392	(69,273,219)
PROVISION FOR (BENEFIT FROM) INCOME TAX	2,958,437	(21,833,241)
NET INCOME (LOSS)	₱10,007,955	(₱47,439,978)

CARD PIONEER MICROINSURANCE INC.

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2015	2014
NET INCOME (LOSS)	₱10,007,955	(₱47,439,978)
OTHER COMPREHENSIVE LOSS		
<i>Items that will not be recycled to profit and loss</i>		
Remeasurement loss on defined benefit obligation	(9,107)	—
	(9,107)	—
TOTAL COMPREHENSIVE INCOME (LOSS)	₱9,998,848	(₱47,439,978)

CARD PIONEER MICROINSURANCE INC.

STATEMENTS OF CHANGES IN EQUITY

	Capital Stock	Contributed Surplus	Net Remeasurement Loss on Defined Benefit Obligation	Deficit	Total
At January 1, 2015	₱490,196,100	₱28,823,532	₱—	(₱22,243,672)	₱496,775,960
Net income	—	—	—	10,007,955	10,007,955
Other comprehensive loss	—	—	(9,107)	—	(9,107)
Total comprehensive income	—	—	(9,107)	10,007,955	9,998,848
At December 31, 2015	₱490,196,100	₱28,823,532	(₱9,107)	(₱12,235,717)	₱506,774,808
At January 1, 2014	₱490,196,100	₱28,823,532	₱—	₱25,196,306	₱544,215,938
Net loss	—	—	—	(47,439,978)	(47,439,978)
Total comprehensive loss	—	—	—	(47,439,978)	(47,439,978)
At December 31, 2014	₱490,196,100	₱28,823,532	₱—	(₱22,243,672)	₱496,775,960

CARD PIONEER MICROINSURANCE INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	₱12,966,392	(₱69,273,219)
Adjustments for:		
Depreciation	1,440,877	272,934
Unrealized foreign exchange gain	(128,604)	(63,911)
Interest expense	125,175	265,612
Pension expense	189,902	1,800,186
Provision for impairment losses	–	110,393
Loss on retirement of fixed assets	57,442	–
Interest income	(16,961,125)	(17,041,099)
Operating loss before changes in working capital	(2,309,941)	(83,929,104)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Insurance receivables	(13,910,365)	(34,182,971)
Deferred acquisition costs	(1,075,861)	(7,890,129)
Reinsurance assets	(15,361,313)	(1,247,755)
Other assets	2,319,583	(3,762,392)
Increase (decrease) in:		
Insurance contract liabilities	90,276,026	63,999,348
Insurance payables	43,660,216	10,544,878
Deferred reinsurance commissions	(254,376)	324,824
Accrued expenses and other liabilities	(17,760,639)	19,494,827
Net cash provided by (used in) operations	85,583,330	(36,648,474)
Interest paid	(39,666)	(265,612)
Income tax paid	(3,898,482)	(3,393,337)
Net cash provided by (used in) operating activities	81,645,182	(40,307,423)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturities of held-to-maturity investments	–	6,250,000
Acquisitions of:		
FVPL financial asset	(8,470,000)	–
Held-to-maturity investments	–	(48,267,540)
Property and equipment	(230,357)	(4,206,030)
Interest received	18,396,798	17,561,419
Net cash provided by (used in) investing activities	9,696,441	(28,662,151)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	91,341,623	(68,969,574)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	128,604	63,911
	91,470,227	(68,905,663)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	414,226,764	483,132,427
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱505,696,991	₱414,226,764

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

STATEMENTS OF FINANCIAL POSITION

	December 31	
	2015	2014
ASSETS		
Current Assets		
Cash on hand and in banks	₱2,454,278	₱3,041,344
Loans and receivables	15,043,590	24,726,458
Other current assets	84,697	130,924
	17,582,565	27,898,726
Noncurrent Assets		
Loans and receivables	4,873,994	9,935,605
Property and equipment	1,586,168	1,903,929
Investment properties	16,351,400	3,609,186
	22,811,562	15,448,720
	₱40,394,127	₱43,347,446
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other accrued expenses	3,712,806	₱1,230,233
Loans payable	2,500,000	2,500,000
Interest payable	26,667	63,333
	6,239,473	3,793,566
Noncurrent Liabilities		
Retirement liability	1,060,375	104,181
Loans payable	—	2,500,000
Deferred tax liabilities	157,777	178,316
	1,218,152	2,782,497
	7,457,625	6,576,063
Equity		
Common stock	42,500,000	42,500,000
Treasury stock	(2,901,307)	(2,901,307)
Deficit	(6,278,838)	(3,243,380)
Remeasurement gains (losses) on retirement liability	(383,353)	416,070
	32,936,502	36,771,383
	₱40,394,127	₱43,347,446

**RESPONSIBLE INVESTMENTS FOR SOLIDARITY AND EMPOWERMENT
(RISE) FINANCING COMPANY, INC.**
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2015	2014
INCOME		
Leasing	₱3,651,144	₱2,957,694
Interest		
Receivables financed	240,369	707,012
Cash in banks	6,528	10,737
	3,898,041	3,675,443
INTEREST EXPENSE	220,417	550,000
NET INTEREST AND LEASING INCOME	3,677,624	3,125,443
Gain on foreclosure of investment properties	525,924	—
Gain on sale of investment properties	—	388,039
Service charges and fees	30,000	52,483
Others	174,765	441,826
TOTAL OPERATING INCOME	4,408,313	4,007,791
OPERATING EXPENSES		
Provision for credit and impairment losses	2,644,409	3,559,381
Compensation and fringe benefits	1,272,112	2,103,385
Asset acquired expenses	750,295	959,974
Management and professional fees	394,804	254,793
Taxes and licenses	342,616	254,560
Marketing and program expenses	325,915	224,171
Depreciation expense	317,761	402,017
Honorarium	292,500	370,000
Transportation expense	262,561	224,618
Postage, telephone and cables	128,945	174,603
Insurance expense	113,202	71,227
Stationeries and office supplies	109,810	27,138
Others	273,237	514,402
TOTAL OPERATING EXPENSES	7,228,167	9,140,269
LOSS BEFORE INCOME TAX	(2,819,854)	(5,132,478)
PROVISION FOR INCOME TAX	215,604	45,092
NET LOSS	(3,035,458)	(5,177,570)
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Items that do not recycle to profit or loss in subsequent periods:</i>		
Remeasurement gains (losses) on retirement liability	(799,423)	416,070
TOTAL COMPREHENSIVE LOSS	(₱3,834,881)	(₱4,761,500)

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

STATEMENTS OF CHANGES IN EQUITY

	Common Stock	Treasury Stock	Deficit	Remeasurement Gains (Losses) on Retirement Liability (Note 14)	Total Equity
Balance at January 1, 2015	₱42,500,000	(₱2,901,307)	(₱3,243,380)	₱416,070	₱36,771,383
Total comprehensive loss for the year	–	–	(3,035,458)	(799,423)	(3,834,881)
Balance at December 31, 2015	₱42,500,000	(₱2,901,307)	(₱6,278,838)	(₱383,353)	₱32,936,502
Balance at January 1, 2014	₱42,500,000	(₱2,901,307)	₱1,934,190	₱–	₱41,532,883
Total comprehensive income (loss) for the year	–	–	(5,177,570)	416,070	(4,761,500)
Balance at December 31, 2014	₱42,500,000	(₱2,901,307)	(₱3,243,380)	₱416,070	₱36,771,383

**RESPONSIBLE INVESTMENTS FOR SOLIDARITY AND EMPOWERMENT
(RISE) FINANCING COMPANY, INC.**
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(₱2,819,854)	(₱5,132,478)
Adjustments for:		
Provision for credit and impairment losses	2,644,409	3,559,381
Gain on foreclosure of investment properties	(525,924)	
Depreciation expense	317,761	402,017
Retirement expense	82,636	91,538
Gain on sale of investment properties	–	(388,039)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Loans and receivables	493,906	(4,903,185)
Other current assets	7,527	46,071
Increase in accounts payable and other accrued expenses	1,731,600	415,123
Net cash generated from (used in) operations	1,932,061	(5,909,572)
Income taxes paid	(19,127)	(94,119)
Net cash provided by (used in) operating activities	1,912,934	(6,003,691)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	–	(122,026)
Proceeds from sale of investment properties	–	1,066,442
Net cash provided by investing activities	–	944,416
CASH FLOWS FROM FINANCING ACTIVITIES		
Settlement of loans payable	(2,500,000)	–
Proceeds from loans payable	–	5,000,000
Redemption of preferred stock	–	(7,500,000)
Net cash used in financing activities	(2,500,000)	(2,500,000)
NET DECREASE IN CASH ON HAND AND IN BANKS	(587,066)	(7,559,275)
CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR	3,041,344	10,600,619
CASH ON HAND AND IN BANKS AT END OF YEAR	₱2,454,278	₱3,041,344
OTHER OPERATIONAL CASH FLOWS		
Interest received	₱3,569,600	₱4,820,374
Interest paid	257,083	736,667

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

	December 31	
	2015	2014
ASSETS		
Current Assets		
Cash	₱2,099,028	₱950,271
Trade and other receivables	336,713	200,411
Inventories	1,476,255	1,761,043
Other current assets	462,361	21,000
Total Current Assets	4,374,357	2,932,725
Noncurrent Asset		
Property and equipment	158,150	81,928
Total Noncurrent Asset	158,150	81,928
	₱4,532,507	₱3,014,653
LIABILITIES AND EQUITY		
Liabilities		
Trade and other payables	₱2,801,276	₱3,665,025
Retirement liability	596,542	—
Total Liabilities	3,397,818	3,665,025
Equity (Capital Deficiency)		
Capital stock	2,617,800	1,000,000
Deficit	(1,483,111)	(1,650,372)
Total Equity (Capital Deficiency)	1,134,689	(650,372)
	₱4,532,507	₱3,014,653

MGA LIKHA NI INAY, INC.**STATEMENTS OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED DECEMBER 31, 2015****AND THE PERIOD FROM MAY 8, 2014 TO DECEMBER 31, 2014***

	Years Ended December 31	
	2015	2014
REVENUE		
Gross sales	₱9,531,439	₱3,833,572
Cost of sales	8,153,242	2,962,189
Gross income	1,378,197	871,383
Interest income	1,829	400
Other income	1,503,415	—
	2,883,441	871,783
EXPENSES		
Compensation and employee benefits	1,012,824	188,116
Provisions for (reversal of) inventory losses	(600,954)	709,353
Actuarial loss	472,157	—
Supplies and materials	317,121	164,643
Outsourced services	243,170	650,107
Management and professional fee	214,374	61,600
Transportation and travel	183,701	125,959
Rent	141,858	283,537
Communication and postage	120,910	27,422
Seminars and meetings	88,814	45,506
Program monitoring and evaluation	80,097	53,394
Depreciation expense	50,638	13,214
Utilities	45,435	10,309
Taxes and licenses	45,094	80,058
Repairs and maintenance	27,431	64,857
Information technology	17,559	1,100
Insurance	14,780	7,419
Miscellaneous	240,805	35,481
	2,715,814	2,522,075
INCOME (LOSS) BEFORE INCOME TAX	167,627	(1,650,292)
PROVISION FOR INCOME TAX	366	80
TOTAL COMPREHENSIVE INCOME (LOSS)**	₱167,261	(₱1,650,372)

* The Company was registered with the Securities and Exchange Commission and started commercial operations on May 8, 2014.

**There are no other comprehensive income in 2015 and 2014.

MGA LIKHA NI INAY, INC.
**STATEMENTS OF CHANGES IN EQUITY (CAPITAL DEFICIENCY)
 FOR THE YEAR ENDED DECEMBER 31, 2015
 AND THE PERIOD FROM MAY 8, 2014 TO DECEMBER 31, 2014***

	Capital Stock (Note 11)	Deficit	Total
At January 1, 2015	₱1,000,000	(₱1,650,372)	(₱650,372)
Issuance of capital stocks	1,617,800	–	1,617,800
Net income for the period	–	167,261	167,261
At December 31, 2015	₱2,617,800	(₱1,483,111)	₱1,134,689
Issuance of capital stocks	₱1,000,000	₱–	₱1,000,000
Net loss for the period	–	(1,650,372)	(1,650,372)
At December 31, 2014	₱1,000,000	(₱1,650,372)	(₱650,372)

* The Company was registered with the Securities and Exchange Commission and started commercial operations on May 8, 2014.

MGA LIKHA NI INAY, INC.**STATEMENTS OF CASH FLOWS****FOR THE YEAR ENDED DECEMBER 31, 2015****AND THE PERIOD FROM MAY 8, 2014 TO DECEMBER 31, 2014***

	Years Ended December 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	₱167,627	(₱1,650,292)
Adjustments for:		
Provisions for (reversal of) inventory losses	(600,954)	709,353
Retirement expense	596,542	—
Depreciation	50,638	13,214
Interest income on deposits	(1,829)	(400)
Operating income (loss) before changes in operating assets and liabilities	212,024	(928,125)
Decrease (increase) in:		
Trade and other receivables	(136,302)	(200,411)
Inventories	885,742	(2,470,396)
Other current assets	(441,361)	(21,000)
Increase (decrease) in trade and other payables	(863,749)	3,665,025
Net cash generated from (used in) operations	(343,646)	45,093
Income tax paid	(366)	(80)
Interest received	1,829	400
Net cash provided by (used in) operating activities	(342,183)	45,413
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment	(126,860)	(95,142)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of capital stock	1,617,800	1,000,000
NET INCREASE IN CASH	1,148,757	950,271
CASH AT BEGINNING OF YEAR	950,271	—
CASH AT END OF YEAR	₱2,099,028	₱950,271

* The Company was registered with the Securities and Exchange Commission and started commercial operations on May 8, 2014.



20 M. L. Quezon Street, City Subdivision,
San Pablo, 4000, Laguna



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