2017 ANNUAL REPORT



Seguro para sa Pamilyang Pilipino

PAGASA NG PINOY MUTUAL BENEFIT ASSOCIATION INC.

MICRO INSURANCE

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ORGANIZATIONAL PROFILE

Pagasa ng Pinoy Mutual Benefit Association (PPMBAI) is an non-stock, non-profit, mutual benefit association that serves as the insurance provider of borrowers of Pagasa Philippines Lending Company, Inc. (PPLCI) and Pagasa ng Masang Pinoy Microfinance, Inc. (PMPMI).

PPMBAI was formed as a response to the need of the borrowers of PPLCI and PMPFI to provide them insurance. In 2012, PPLCI management decided to act on the demand and started exploring options. A partner-agent didn't push thru due to the constraint of the product that it offers, thus, the management decided to put up its own Microinsurance Mutual Benefit Association (MI-MBA) in April 2012.

The association was registered with the Securities and Exchange Commission (SEC) as a nonstock, not-for-profit association on December 28, 2012. It was granted a license by the Insurance Commission (IC) on May 22, 2013 to engage as a mutual benefit association that extends benefits and services for the welfare and financial security of its members and their families in the form of death benefits, sickness benefits, retirement savings, and loan redemption assistance and ensuring continued access to benefits and resources.

The Association actively involves the members in the direct management of the Association including the implementation of policies and procedures geared towards sustainability and improved services.

OUR VISION

Pagasa ng Pinoy Mutual Benefit Association, Inc. (PPMBAI) is the leading microinsurance provider of choice in the Philippines.

OUR MISSION

To provide responsive, timely, and sustainable microinsurance products and services to Filipino families.

OUR CORE VALUES

Excellence, Commitment, Honesty, Teamwork, Service Oriented, Professionalism

MESSAGE



TIM Fakruzzaman
President
Pagasa Philippines Lending Company, Inc.

On behalf of the Pagasa Philippines Lending Company Inc. (PPLCI) management and staff, I would like to extend my congratulations to Pagasa ng Pinoy Mutual Benefit Association Inc. (PPMBAI) first, for the celebration of its fifth year anniversary this year, and second for coming up with its first ever annual report just in time for its sixth year anniversary.

PPMBAI and PPLCI's partnership have come a long way since PPMBAI started in 2013. As the provider of microinsurance services to our clients, PPMBAI shares our commitment to social protection and continuous economic development of our members nationwide.

PPMBAI was established as a response of Pagasa to the clamor of our members for insurance coverage. To this day, PPMBAI continues to uphold its mandate while constantly exploring ways to improve its services, and develop programs that can cater to the changing needs of our members. Many of our clients have benefited from the services of PPMBAI. The thousands of families you have helped are a testament to PPMBAI's unparalleled service and commitment to the poor.

PPMBAI remains committed to its mission of providing responsive, timely, and sustainable microinsurance products and services to the Filipino families guided by its core values of Excellence, Commitment, Honesty, Teamwork, Service Oriented, Professionalism.

Rest assured that PPLCI will continue to work with PPMBAI in its efforts in programs and services development, membership and staff development, and corporate social responsibility.

Once again, congratulations to the Board, management and members of PPMBAI. May PPMBAI continue to expand its horizons and grow as an association.

Mabuhay!



Eufrecina T. de Jesus
President
Pagasa ng Masang Pinoy Foundation, Inc.

As the President of Pagasa ng Masang Pinoy Foundation Inc., allow me to congratulate Pagasa ng Pinoy Mutual Benefit Association Inc. (PPMBAI) for its fifth year anniversary and for coming up with its annual report for the first time. The Board of Directors, Management and Staff of PMPFI are one with PPMBAI in its celebration.

As our partner in providing microinsurance services to the Foundations' clients and members, PPMBAI has greatly helped us in achieving our social mission of alleviating the social and economic conditions of our poor and marginalized clients. The services it provides have helped hundreds of our clients who, in times of death, disability and despair, have no one to turn to.

I would also like to recognize PPMBAI's unending drive to come up with programs and services consistent with its mission. As the current Treasurer of the Board of PPMBAI, I've experienced first-hand the hard work, commitment and service-orientation of the Board, management and staff of PPMBAI. While we have accomplished so much as an Association in its six years of existence, PPMBAI has not been complacent.

Through the years, the Association has evolved with the needs of its clients and members. I bear witness to the passion and hard work of its people in serving the poor. While there have been many challenges along the way, especially when the Association was starting, PPMBAI has proven that it is resilient and can withstand the challenges. For this, we have the clients and members to thank. Their trust and commitment have been so overwhelming.

Again, in behalf of PMPFI and our clients and members in Central and North Luzon, congratulations to PPMBAI. May it continue to be the carrier of blessings to the poor people that we serve.

Mabuhay and God bless.

MESSAGE



Genaro L. Kong
President
Pagasa ng Pinoy Mutual Benefit Association Inc.

As we celebrate PPMBAI's 5th anniversary, allow me to congratulate all the members and their families, management and staff, Board of Directors, and our partners for the continuous growth of the Association.

As the President of PPMBAI, I was given the challenging but fulfilling role of driving the MBA towards its goal of providing microinsurance services to our members while sustaining the economic and operational viability of the Association. The act of balancing social responsibility and financial sustainability has not been easy. I am glad that in this journey, I was and am never alone.

Allow me to thank the Board of Trustees of the Association for the time and the invaluable service you've given. Your commitment to our work is what keeps PPMBAI what it is today.

I would also like to thank the Management and staff of PPMBAI for your hard work and relentless efforts in ensuring that our services reach the people who need them. To our field staff that act as the bridge of the management to our members and our Head Office staff headed by our very able Claims and Benefit Manager Soc Ates and our Jr. Finance Controller, Richard Tabudlo, continue to strive for excellence and professionalism in our everyday work.

Lastly, allow me to thank the members for the continued trust to the management and the staff of the Association. None of what we do would have been possible without your continuous patronage to our services and your unwavering support to the programs we implement. Rest assured that we will keep your welfare in mind as we strive to improve and develop the Association's services.

Congratulations and mabuhay!

MILESTONES

2012

- PPLCI employed the services of Asian Actuary, Inc. (AAI) as its actuary for microinsurance
- Processed the data for actuarial study of MBA products
- Processed the registration for SEC, LGUs, SSS, PhilHealth, and BIR
- Identified the interim MBA Board
- SEC registration was released December 28, 2012
- The interim BOD attended the AMLA and Governance Workshop of RIMANSI at New Horizon Hotel

2013

- IC released the PPMBAI's Certificate of Authority in April
- PPMBAI started its operation in April
- PPMBAI employed the services of SGV & Co. as its external auditor

2014

- Strengthened the operation of PPMBAI, as well as its relationship to the mother company in order to deliver microinsurance services to its members better

2015

- Conducted its 1st Annual General Assembly Membership Meeting and Election of Board of Trustees
- Registration to the Anti-Money Laundering Council

2016

- PPMBAI bought 1 condominium unit
- PPMBAI bought 2 parking lots
- Conducted the 3RD Annual General Assembly Membership (Luzon and Mindanao) Meeting in June
- Established Corporate Social Responsibility (CSR) Fund
- Held and sponsored several MFI-partner programs such as DO Gathering, and Group Leaders' Gathering
- PPMBAI became an associate member of RIMANSI-MI MBA

2017

- 3rd Annual General Membership Meeting
- Election of Board of Trustees for the year 2017-2019
- A slot in the board representing Mindanao was opened
- 1st Annual General Membership Meeting in Visayas

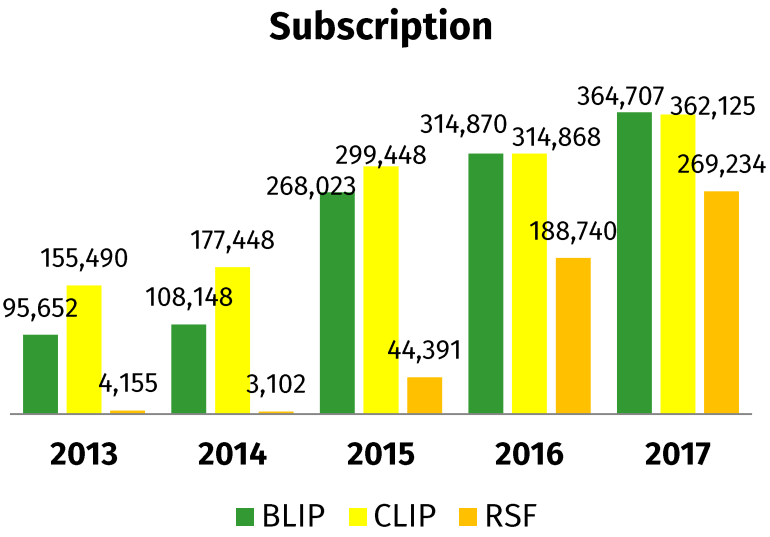
OPERATIONS HIGHLIGHTS

MEMBERSHIP AND SUBSCRIPTION

PPMBAI Membership has steadily increased in the last four years of operation. Overall, as of December 31, 2017, the total membership of PPMBAI is at 192,396 insuring about 400,000 including dependents. The membership of the association increased by 13% from 2016.

Looking into individual subscriptions to PPMBAI's services, Basic Life Insurance Plan (BLIP) has the most subscriptions at 364,707 followed closely by Credit Life Insurance Plan (CLIP) with 362,125 and lastly by Retirement Savings Fund (RSF) SF with 269,234 subscriptions.

From 2016 TO 2017, RSF posted the highest percentage increase in subscription of 43%. Subscription to BLIP and CLIP increased by 16% and 15% respectively.

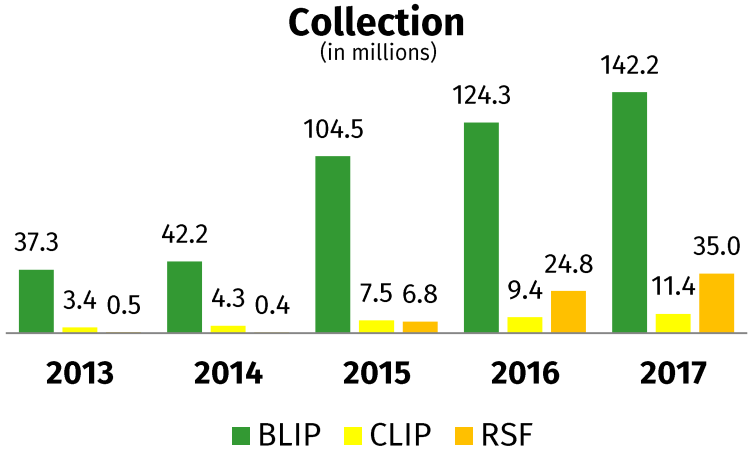


COLLECTION

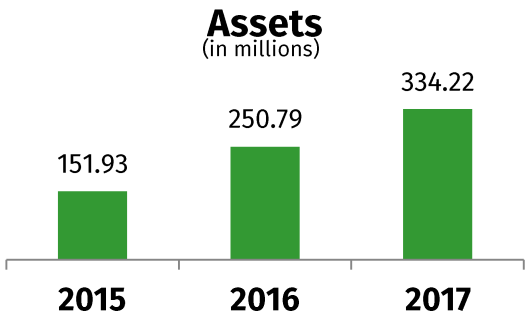
The increase and membership and subscription also meant an increase in the collection of fees. Overall, collection of premium across products increased.

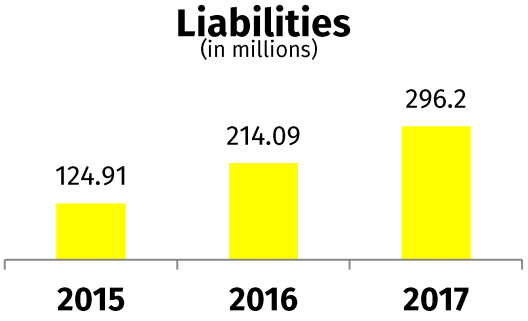
For BLIP the collection rose from PhP 124.3M in 2016 to 142.2M or an increase of 14.4%.
CLIP premium also increased by 20.7% from 2016 with a collection of 9.4M to 11.4M.

For the RSF, the increase was at 41.25% from 24.8M in 2016 to 35M in 2017.



ASSETS AND LIABILITIES

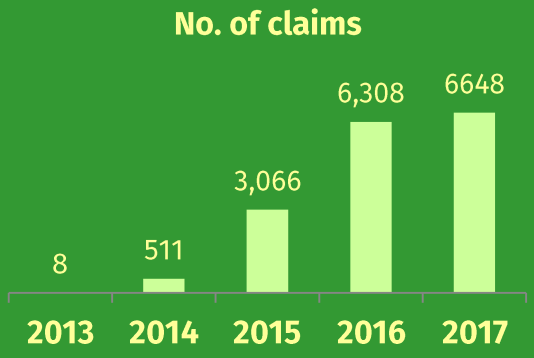


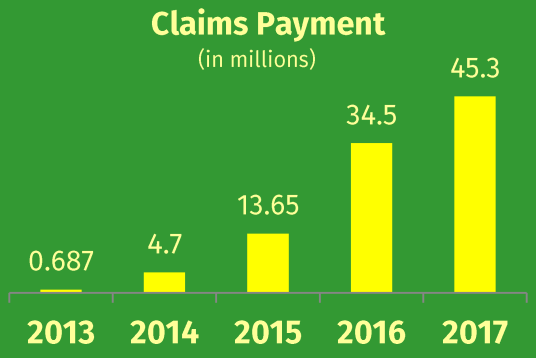


The total assets of PPMBAI as of December 31, 2017 is at PhP334,220,000. was It increased by 33.26% from the previous year's assets of PhP 250,792,241. Liabilities increased as well. From PhP Php 214,090,444 in 2016, PPMBAI's liabilities by 2017 was Php 296,208,605 an increase of 38.36%.

CLAIMS AND BENEFIT PAYMENT

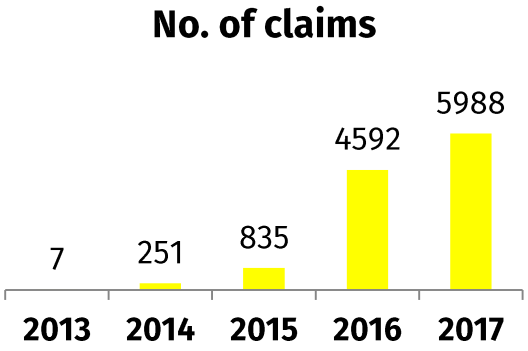
Basic Life Insurance Plan (BLIP)

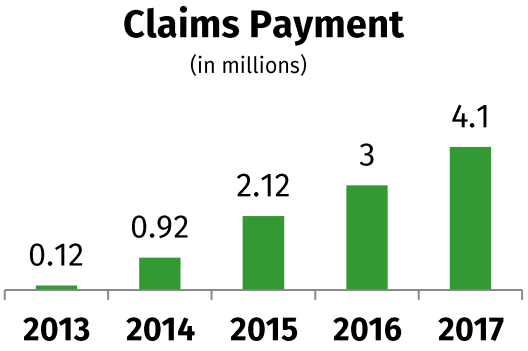




Benefit claims particularly for BLIP has increased substantively over the years. In 2016, 6,308 individual members and their dependents benefited from a total claim of PhP 34,506,909. In 2017, the number of claims rose to 6,648 with a total paid amount of 45,316,555. From 2016 to 2017, the payment of claims increased by 31.33% and the number of claims increased by 5.4%.

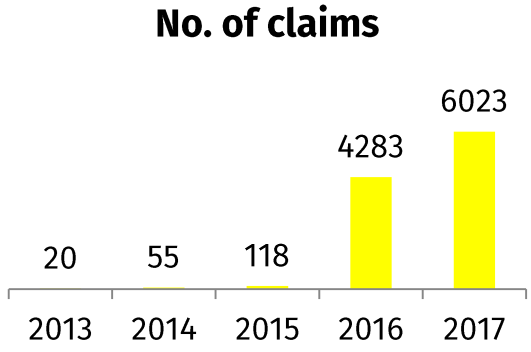
Credit Life Insurance Plan (CLIP)

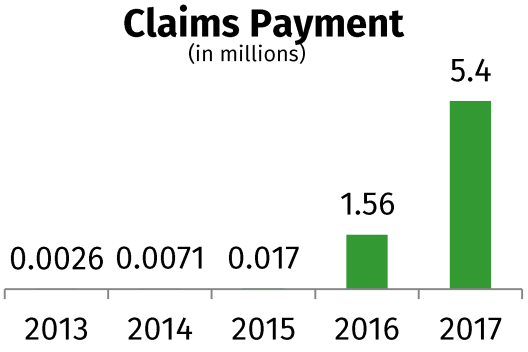




In terms of CLIP, from 7 claimants in 2013, it increased to 251 in 2014, 835 in 2015 and 4,592 in 2016 and 5,988 in 2017. From 2016 to 2017, the amount of claims paid rose by 36.7% and the number of claims paid rose by 30.4%.

Retirement Savings Fund (RSF)





RSF payment was at a steady rate dueing the first 3 years of operation. The claims payment only increased dramatically from 2015 to 2016 which was a whooping 8,818%. From 2016 to 2017, the number of claims paid increased by 40.6% and the amount of claims paid increased by 246%.

TESTIMONIALS



Maria Ana Cruz, 42, PPMBAI member since 2014 from Sta. Rosa

Ana's husband Enero used to work as an OFW in Saudi Arabia. Because of a mild stroke, her husband was forced to go back to the Philippines for treatment. After two hospitalizations, he became well again, however, in May 2017, Enero had a heart attack and died. It was the day after Ana renewed her loan and insurance in Pagasa. Ana received burial assistance of PhP 2,500 and PhP 10,000.00 death benefits for her husband who served as his dependent in the Basic Life Insurance Plan (BLIP).

Life goes on amidst the death of his husband. She continues to sell pastillas, and do manicures to earn a living. She's thankful that she was able to receive the benefits from Pagasa as she said it was a big help for her and her family.

Mr. Gilbert T. Lumasag - husband of Erlinda Lumasag, deceased member in Oroquieta

Mr. Gibert expresses his gratitude to PPMBAI for the benefit his family received during the death of her wife Mrs. Erlinda Lumasag who used to be a member of PPLCI and PPMBAI for almost 3 years. He did not know that his wife availed of the Basic Life Insurance of PPMBAI so he was hesitant to inquire about the benefit he could claim. When he finally came, he received PhP 5,000.00 burial assistance and a floral stand. After two weeks, he received PhP 56,314.51 worth of death benefit. He was very thankful for the benefit he received because it was a big help for the payment of Erlinda's funeral expenses. At first he did not know where to get the money from, but because of the insurance, he was able to pay his debts. The remaining money was spent for additional capital for business.





Susana Aguilar - 56, PPMBAI member since 2015 from Mexico, Pampanga

Susana was thankful that she availed of the basic life insurance plan (BLIP) of PPMBAI and implored her co-borrowers to avail as well. Her common law husband, Mr. Danilo Moreno died last October 8, 2016 of congestive heart failure. He used to work as a security guard in NLEX. Because of the insurance, Susana received a total of 12,500 from PPMBAI, PhP 2,500 for burial assistance and PhP 10,000 death benefits. She was able to use the money to pay for loans incurred in the hospitalization, as well as the burial cost. She realized the importance of being prepared for unfroeseen circumstances such as death and sickness. She continues to be a member of PPLCI and PPMBAI with a loan of PhP 16,000. She sells clothes and work as a utlility to sustain her family's needs.

Rhea Jane and Sherwin Cacayorin
children of Divina Cacayorin, deceased member Pozorrubio, Pangasinan

Divina Cacayorin died last October 10, 2015 because of an accident. During the wake, PPMBAI staff visited and gave her family PhP 5,000 burial assistance. When the required documents were processed, the family received a total of PhP 110,633.67 in death benefit in November of 2015. The family used to pay for the expenses incurred in the burial and used the rest to buy a van that is now being used by Divina's husband Enrique as UV Express and service to earn a living. They are thankful that their mother was able to plan ahead and left them with something. This would have not been possible if she did not subscribe to PPMBAI's Basic Life Insurance Plan



Jose Larry Juanillo - husband of deceased member Maricar Juanillo from Caloocan



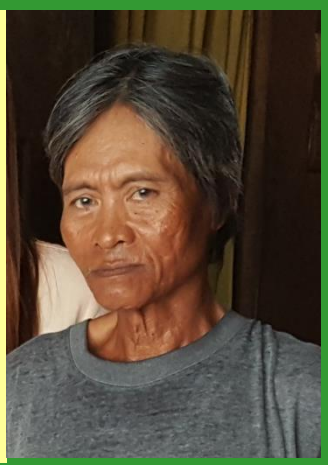
"I received 5000 from the Asssociation as assistance for the burial of my wife. We used it to buy the things needed for the burial. We bought her dress, and used the rest to take care of her papers. It was a big help for us because we were also able to pay for loans she left unpaid. It also helped with the enrollment of our children and payment of other expenses. We received a total of PhP 63,297.04. We weren't expecting to receive that big amount of money from PPMBAI. So when the check was issued to us in the barangay hall, I was a bit teary-eyed because I didn't know my wife had an insurance so I'm really thankful for what we received from PPMBAI."



Aiditha Tadle, PPMBAI member from Matina, Davao City

Aiditha's husband worked as an OFW for five years. He was diagnosed with kidney problems and decided to go back home for treatment. Unfortunately, he wasn't able to recover and died. Aiditha used up all of her funds for the burial of her husband. She did not receive any form of assistance from the agency that hired his husband. A month after the burial was his son's graduation in Cagayan de Oro. She didn't know if she'll be able to make it because she did not have any money left. Thankfully, Pagasa's staff from Matina informed her that the death benefit of her husband has already been approved so she had the money for her son's graduation. At present, she operates a small canteen/ carenderia which income she use for their daily expenses and to send her son to college. Before she was hesitant to avail of the insurance but because of her experience, she was able to appreciate the value of being prepared for unforeseen circumstances.

Jose Larry Juanillo - husband of deceased member Honorata Sigue from Butuan City



Mrs. Honorata Sigue died last October 12, 2016. She was a pioneering member of Pagasa Philippines Lending Company, Inc in her group in Butuan since October 2010. After her death, her husband Mr. Prodensio Sigue received the death claims amounting to Php 60,867.29. According to him the amount they received from PPMBAI was a big help for their family. They used the money to buy the gravestone for Mrs. Honorata Sigue. Some money they used to observe the 40th day of her death, a custom among Filipinos, and the rest they used to retrieve the land they sold. Mr. Prodensio said they are proud that his wife was one of the clients of PPMBAI and was thankful for receiving the benefits from PPMBAI.



Argeline Mae Pama- daughter of Evangeline Mitra, member of PPMBAI from Naga

"I received a phone call from one of my mother's friend that she died of drowning during an outing. They tried to resuscitate her and even brought her to the hospital but she did not make it. It all happened so fast. She just took a loan on November 14, 2016 and she drowned on November 27, 2016. Thankfully, PPMBAI's response was also fast. We received a burial assistance of PhP 2,000 and death benefits of PhP 51,370. The money we received was a big help. We put it on time deposit and we plan to use it for the renovation of our house this coming November 2017. Thank you PPLCI and PPMBAI for the help that you extended us. Me and my husband took over the management of the vegetable stand my mother used to manage when she was alive and I took over her account in PPLCI. I hope that you help more people like us."

MEMBERS AND STAFF DEV'T

GROUP LEADERS' GATHERING

The Group Leaders Gathering was held twice in 2017. It was held in April-May and October November. The purpose of the GL Gathering was to stregthen Pagasa's relations with its members through the Group Leaders, serve as the avenue to discuss borrowers concerns and issues in relation to Pagasa's programs and services, and train the Group Leaders on strengthening group solidarity and leadership.





It was also a time for the Group Leaders to share their experiences in their group and the strategies they use to ensure effective group management and efficient collection.

Hundreds of group leaders from Pagasa branches attended the Gathering. Members of the executive committee and heads of support units in the Head Office, and Division management and staff also attended the Gathering to listen to the concerns raised and share updates on Pagasa's policies, programs and services. The group leaders were happy to be able to attend the program as they received certificate of participation and umbrella's courtesy of PPMBAI after the gathering.

DO GATHERING AND TEAM-BUILDING



In partnership with Pagasa Philippines Lending Company Inc. (PPLCI) and Pagasa ng Masang Pinoy Foundation Inc. (PMPFI), PPMBAI co-sponsored the Annual Development Officers (DO) Gathering and Team-Building from August to September 2017.

The purpose of the gathering was to give opportunities for the field staff, especially the front liner Development Officers to raise their concerns directly to the management to improve Pagasa's policies, management and operations. The morning session served as an open forum for the staff's grievances and concerns.



It was also meant to bring together all the staff of Pagasa per Division for a day of fun-filled team-building activities and games that help to create solidarity and teamwork among all Pagasa employees. At the end of the day, prizes were distributed to the winners of various games and activities.



CORPORATE GOVERNANCE

As the Association continues to grow both in membership and assets, there is a need to regularly monitor the effectiveness of governance and management structure in place. More so that the Association operates based on the members' trust.

BOARD OF TRUSTEES

At the helm of the governance function is PPMBAI's Board of Trustees. The Board of Trustees is composed of 9 members, two (2) of which are Independent Trustees. The Board of Trustees are elected during the Annual General Meeting thru proxy voting. The Board holds its regular meeting once every quarter (four times a year). In 2016, the Board met four times to discuss and decide on matters concerning the Association.

The Board is responsible for overseeing the Association's business, reviewing and approving policies and strategic and financial plans and annual budgets, establishing systems of checks and balances, and reviewing adequacy of internal control systems in place.

BOARD COMMITTEES

Oversight & Audit Committee
Is composed of three (3) members chaired by an Independent Trustee. The committee provides oversight of the institution's financial reporting policies, practices and control and internal and external audit functions.

POSITION	NAME
Chairman	Ricardo P. Lirio
Vice-Chairman	Genaro L. Kong
Member	Reena Concepcion G. Obillo
Member	Rei Alessandro L. Diaz
Member	Estrelita R. Borromeo

Nomination Committee
The nomination committee reviews and evaluates the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board of Trustees.

POSITION	NAME
Chairman	Reena Concepcion G. Obillo
Member	Genaro L. Kong
Member	Jonnette C. Almanzar

Remuneration Committee
is a separate and independent body established to ensure that remuneration arrangements support the strategic aims of the association and enable recruitment, motivation and retention of personnel in compliance with government regulations, satisfying members expectations, and consistent with employee expectations.

POSITION	NAME
Chairman	Eufrecina T. de Jesus
Member	Genaro L. Kong
Member	Rei Alessandro L. Diaz
Member	Ricardo P. Lirio
Member	Florencia F. Castro

GENERAL ASSEMBLY

PPMBAI held its third Annual General Assembly last May 2016 in three different occasions. The first leg for Luzon was held in PPMBAI's Head Office in Quezon City and the second leg for Mindanao was held in Middleton Hotel in Cagayan de Oro City and the third leg was held in Iloilo City.

It was attended by 137 proxy representatives of the total membership of PPMBAI composed of 81 from Luzon, 19 from Visayas and 37 from Mindanao.

The President Mr. Genaro Kong and Treasurer Ms. Zeny de Jesus presented their President and Treasurer's Report respectively. In the presentations, Mr. Kong highlighted the gains of the Association from its inception to 2017. He also presented the strategic directions the Association is taking. Ms. Zeny de Jesus presented the financial status of the Association. Other members of the BOT were also present during the GA.





(top) General Assembly for Mindanao in Cagayan de Oro City (bottom) General Assembly for Luzon in Quezon City.

OTHER ACTIVITIES

Training and Seminars attended by PPMBAI 2016

Trainings/Seminars	Attendees	Date and Venue	Sponsor/Host Organization
Microinsurance Month – The Journey Continues: 5 Years of Microinsurance in the Philippines	Dakila dela Pacion Rossana Gibaga Genaro Kong Richard Tabudlo	January 29, 2016 - Philippine Int'l Convention Center (PICC)	Department of Finance - National Credit Council, Insurance Commission and the ADB-JFPR Capacity Building for Microinsurance Project
Microinsurance Forum 2016	Genaro Kong Richard Tabudlo	January 25, 2016 - Insurance Commission	Insurance Commission
2016 General Assembly Meeting: • IC Circular 1016-05: A Workshop on the Revised Annual Statement Report • ASEAN Corporate Governance Scorecard: How did the MBAs Perform?	Richard Tabudlo Genaro Kong	March 28, 2016 - Discovery Suites, Pasig City	RIMANSI Mi-MBA Association of the Philippines Inc.
2016 CIGS Workshop for Mutual Benefit Associations	Lester Ramos	April 5, 2016 Pacific B & C of One Pacific Place Residences, Makati	Institute of Corporate Directors
AMLA & Governance Workshop	Genaro Kong Zeny de Jesus Richard Tabudlo	May 26-27, 2016 New Horizon Hotel	RIMANSI Mi-MBA Association of the Philippines Inc. & Insurance Commission
AMLA & Governance Workshop	Dakila dela Pacion Jayson Tapiador Estrelita Borromeo	Oct. 20-21, 2016 New Horizon Hotel	RIMANSI Mi-MBA Association of the Philippines Inc. & Insurance Commission
Management Forum 2016: Managing MI-MBA Enterprise Risks	Richard Tabudlo	November 22-25, 2016 Legazpi City, Albay	RIMANSI Mi-MBA Association of the Philippines Inc.

OTHER ACTIVITIES (IN PICTURES)





Mr. Genaro Kong, Ms. Zeny de Jesus and Mr. Richard Tabudlo attended the AMLA & Governance Workshop conducted by RIMANSI and Insurance Commission on May 26-27 in New Horizon Hotel, Mandaluyong.





Mr. Jayson Tapiador, Ms. Dakila dela Pacion and Ms. Estrelita Borromeo attended the AMLA & Governance Workshop conducted by RIMANSI and Insurance Commission on October 20-21 in New Horizon Hotel, Mandaluyong.





Mr. Richard Tabudlo attended RIMANSI Mi-MBA Association of the Philippines' Management Forum 2016 last November 22-23 in Legazpi City, Albay.

Training and Seminars attended by PPMBAI 2017

Trainings/Seminars	Attendees	Date and Venue	Sponsor/Host Organization
Microinsurance Forum: Risk Protection /Microenterprise Development for Resilient	Genaro L. Kong Ma. Socorro C. Ates Delia Villalon	Jan. 24, 2017 Manila Diamond Hotel	RIMANSI Microinsurance MBA Association of the Philippines, Inc.
Credit Information Corp. Technical Workshop	Ma. Socorro C. Ates Lester V. Ramos Ken Bayudan	Jan. 24, 2017 Manila Diamond Hotel	RIMANSI Microinsurance MBA Association of the Philippines, Inc.
Investment Management Seminar Workshop	Richard Tabudlo Dianne Guillermo	Jan. 25-26, 2017 Bayview Park Hotel	RIMANSI Microinsurance MBA Association of the Philippines, Inc.
Learning Session: Enhanced Performance Standards	Richard Tabudlo	March 6, 2017 KL Tower Residences	RIMANSI Microinsurance MBA Association of the Philippines, Inc.

Training and Seminars attended by PPMBAI 2017

Trainings/Seminars	Attendees	Date and Venue	Sponsor/Host Organization
General Assembly Meeting – Opening Program	Lester V. Ramos	March 7, 2017 AIM Conference Center	RIMANSI Microinsurance MBA Association of the Philippines, Inc.
Enterprise Risk Management User's Training	Richard Tabudlo	March 8-9 2017 KL Tower Residences	RIMANSI Microinsurance MBA Association of the Philippines, Inc.
Fraud Management Manual Writeshop for MI-MBAs	Genaro L. Kong Richard Tabudlo Ma. Socorro C. Ates	Aug. 21-23, 2017 Soleste Suites	RIMANSI Microinsurance MBA Association of the Philippines, Inc.
Financial Management Workshop	Dianne Guillermo	Sept. 27-29 The Malayan Plaza	RIMANSI Microinsurance MBA Association of the Philippines, Inc.
Governance and AMLA Workshop for MI-MBAs	Jonnette C. Almanzar Laura C. Leysico Florencia F. Castro	Oct. 25-27, 2017 Hotel Benilde	RIMANSI Microinsurance MBA Association of the Philippines, Inc.
2017 Management Forum: Strat. Mgt. for MI-MBAs	Ma. Socorro C. Ates	Nov. 22-24, 2017 Almont Inland Resort	RIMANSI Microinsurance MBA Association of the Philippines, Inc.





Mr. Richard Tabudlo and Ms. Dianne Guillermo attended the Investment Management Workshop conducted by RIMANSI in Bayview Hotel, Manila last Jan. 25-26, 2017





Mr. Lester Ramos and Mr. Ken Bayudan attended RIMANSI's CIC Compliance Workshop last January 25, 2017.





Ms. Jonnette Almanzar, Ms. Laura leysico and Ms. Florencai Castro, Board of Trustees members of PPMBAI attended the AMLA & Governance Workshop conducted by RIMANSI and Insurance Commission on Oct-25-27, 2017 at Hotel Benilde, Manila.

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STATEMENT OF FINANCIAL POSITION (AUDITED)

	Years Ended December 31	
	2017	2016
ASSETS		
Cash and cash equivalents	**₱273,780,514**	₱200,844,357
Financial assets		
Loans and receivables	**17,872,449**	13,205,058
Held-to-maturity investments	**10,399,130**	10,241,867
Short-term investments	**20,000,000**	20,000,000
Property and equipment	**6,754,790**	6,016,040
Intangible assets	**5,889**	425,365
Other assets	**5,408,228**	59,554
	₱334,221,000	₱250,792,241
LIABILITIES AND FUND BALANCE		
Liabilities		
Insurance contract liabilities	**₱227,686,895**	₱141,481,942
Accounts payable and accrued expenses	**7,370,205**	41,461,537
Retirement savings fund	**61,151,505**	31,146,965
	296,208,605	214,090,444
Fund Balance		
Unappropriated fund balance	**38,012,595**	36,701,797
	₱334,221,000	₱250,792,241

STATEMENT OF COMPREHENSIVE INCOME (AUDITED)

	Years Ended December 31	
	2017	2016
REVENUE		
Premiums on insurance contracts	**₱181,136,606**	₱128,960,878
Membership fees	**10,745,017**	8,728,260
Interest income	**1,362,968**	1,177,742
Fair value gains on financial assets at FVPL	**-**	90,021
Other income	**413,262**	72,017
	12,521,247	10,068,040
	193,657,853	139,028,918
BENEFITS, CLAIMS AND EXPENSES		
Increase in insurance contract liabilities	**86,204,953**	52,001,355
Gross insurance contract benefits and claims paid	**49,425,144**	37,589,649
Commission fees (Note 14)	**18,505,636**	15,573,195
Insurance benefits and reserves	**154,135,733**	105,164,199
General and administrative expenses	**37,514,683**	23,860,167
Interest expense	**484,941**	247,557
INCOME BEFORE FINAL TAX	**1,522,496**	9,756,995
PROVISION FOR FINAL TAX	**211,898**	68,511
NET INCOME	**1,310,598**	9,688,484
OTHER COMPREHENSIVE INCOME		-
TOTAL COMPREHENSIVE INCOME	**₱1,310,598**	₱9,688,484

STATEMENT OF CHANGES IN EQUITY (AUDITED)

	December 31	
	2017	2016
REVENUE		
Unappropriated fund balance, beginning	**₱36,701,797**	₱27,013,313
Net income	**1,310,598**	9,688,484
Unappropriated fund balance, ending	**₱38,012,395**	₱36,701,797

STATEMENT OF CASHFLOWS

	December 31	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱1,522,496**	₱9,756,995
Adjustments for:		
Depreciation and amortization	**797,450**	407,907
Interest expense	**484,941**	247,557
Write-off of intangible asset	**341,032**	-
Fair value gain on financial assets at FVPL	**-**	(90,021)
Amortization of discount on HTM financial assets	**(259,378)**	(268,523)
Interest income	**(1,103,590)**	(909,219)
Cash generated from operations before changes in working capital	**1,782, 951**	8,876,171
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Loans and receivables	**(4,706,250)**	1,169,925
Other assets	**2,166**	1,802
Increase in:		
Insurance contract liabilities	**86,204,953**	52,001,355
Accounts payable and accrued expenses	**(34,091,333)**	13,708,813
Retirement savings fund	**30,004,540**	23,467,205

STATEMENT OF CASHFLOWS (cont.)

	December 31	
	2017	2016
Net cash generated from operations	**79,197,027**	89,225,271
Interest received	**1,142,449**	928,406
Final taxes paid	**(211,898)**	(68,511)
Interest paid	**(484,941)**	(247,557)
Net cash flows provided by operating activities	**79,642,637**	89,837,609
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Short-term investments	**-**	(10,000,000)
Property and equipment	**(1,455,515)**	(5,060,716)
Intangible assets	**(2,240)**	(164,576)
Other asset	**(5,350,840)**	-
Held-to-maturity investments	**(4,897,885)**	(4,944,724)
Proceeds from sale of:		
Financial assets at fair value through profit or loss (Note 5)	**-**	8,239,570
Held-to-maturity investments	**5,000,000**	5,000,000
Net cash flows provided by (used in) investing activities	**(6,706,480)**	3,069,554
NET INCREASE IN CASH AND CASH EQUIVALENTS	**72,936,137**	92,907,163
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**200,894,357**	107,937,194
CAHS AND CASH EQUIVALENTS AT END OF YEAR	**₱273,780,514**	₱200,844,357



PAGASA NG PINOY MUTUAL BENEFIT ASSOCIATION INC.

Unit 8-G, 8F, Jenkinsen Tower 80 Timog Ave.,
Brgy. Sacred Heart, Quezon City, Philippines
Tel. no. : +632 374 3880 loc. 104
Fax no. : +632 374 3880 loc. 116
Email : insurance@pagasa-mba.com.ph
Website : www.pagasa-mba.com.ph