COVER SHEET

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PRAXIS FIDES
MUTUAL BENEFIT
ASSOCIATION, INC.

(Company's Full Name)

35 PASEO DEL CONGRESO, CATMON,
CITY OF MALOLOS, BULACAN

(Business Address : No. Street City / Town / Province)

GENER LUCIANO
Contact Person

(044) 791 3558
Company Telephone Number

12 Month 31 Day
Calendar Year

AFS
FORM TYPE

Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

PRAXIS FIDES
MUTUAL BENEFIT ASSOCIATION, INC.
#35 Paseo del Congreso, Catmon, City of Malolos, Bulacan
Tel. No. (044) 791-3558: (044) 662-4288

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Praxis Fides Mutual Benefit Association, Inc.** is responsible for the preparation and fair presentation of the financial statements for the yearsended December 31, 2013 and 2012,including the additional components attached therein, in accordance with the prescribed financial reporting framework indicated therein.This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Trustees reviews and approves the financial statements and submits the same to the members.

AMC & Associates, the independent auditors, appointed by the members has examined the financial statements of the Association in accordance with Philippine Standards on Auditing and in its report to the members, has expressed its opinion on the fairness of presentation upon completion of such examination.

REV. FR. NAP A. BALTAZAR
Chairman
and
President

Gener C. Luciano
MR. GENER C. LUCIANO
General Manager

REV. FR. ANGELITO S. SANTIAGO
Chief Financial Officer

Signed this 10 th day of April 2014.

Financial Statements

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.

December 31, 2013 and 2012

AMC & ASSOCIATES

Certified Public Account

REPORT OF INDEPENDENT AUDITORS

The Board of Trustees
Praxis Fides Mutual Benefit Association, Inc.
(A Non-Stock, Non-Profit Organization)

35 Paseo del Congreso, Catmon
Malolos, Bulacan

Report on the Financial Statements

We have audited the accompanying financial statements of Praxis Fides Mutual Bene Association, Inc., which comprise the statements of financial position as December 31, 2013, 2012 and 2011, and the statements of comprehensive income, statements changes in members' equity and statements of cash flows for the years ended December 31, 201 and 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statement in accordance with Philippine Financial Reporting Standards and for such internal control a management determines is necessary to enable the preparation of financial statements that ar free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Praxis Fides Mutual Benefit Association, Inc. as at December 31, 2013, 2012 and 2011, and of its financial performance and its cash flows for the years ended December 31, 2013 and 2012 in accordance with Philippine Financial Reporting Standards.

Suite 1805 - 1807 Cityland Condominium 10, Tower 2, H.V. Dela Costa St., Makati City, Philippines
Tel. No.: (02)841.0462 • Fax No.: (02)893.0287

AMC & ASSOCIATES

Certified Public Accountants

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information for the year ended December 31, 2013 required by the Bureau of Internal Revenue as disclosed in Note 26 to the financial statements is presented for the purpose of additional analysis and is not a required part of financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of the management. The information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

AMC & ASSOCIATES

By: **Joseph Cedric V. Calica**
Partner
CPA Cert. No. 94541
TIN 163-257-226-000
PTR No. 4233400, Jan. 8, 2014, Makati City
BIR Accreditation No. 08-002582-1-2011
(Dec. 27, 2011 to Dec. 26, 2014)
BSP Accreditation (Category B)
(Feb. 14, 2014 to Feb. 13, 2017)
IC Accreditation No. SP-2012/009-R
(Feb. 8, 2012 to Feb. 7, 2015)
SEC Accreditation No. 1261-A (Group C)
(Nov. 5, 2012 to Nov. 4, 2015)

April 10, 2014

24 APR 2014

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.
(A Non-Stock,Non-Profit Organization)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2013, 2012 AND 2011
(Amounts in Philippine Peso)

	2013	2012 (As Restated)	2011 (As Restated)
ASSETS			
Cash and cash equivalents *(Note 5)*	P 93,593,388	P 86,662,839	P 52,887,993
Short-term investments *(Note 6)*	23,362,778	22,024,291	25,083,390
Available-for-sale securities *(Note 7)*	40,365,800	23,175,000	23,691,000
Held-to-maturity investments *(Note 8)*	22,000,000	21,000,000	14,000,000
Loans and other receivables *(Note 9)*	240,727,572	193,973,492	173,613,790
Property and equipment *(Note 10)*	18,526,628	26,771,961	22,132,685
Investment properties *(Note 11)*	71,698,941	66,458,362	67,828,770
Prepayments	1,258,890	1,064,030	1,856,606
TOTAL ASSETS	P 511,533,997	P 441,129,975	P 381,094,234
LIABILITIES AND MEMBERS' EQUITY			
Accounts payable and other liabilities *(Note 12)*	P 17,313,263	P 10,189,752	P 10,084,219
Legal policy reserves *(Note 13)*	317,475,297	268,382,707	210,709,042
Insurance premium reserves *(Note 14)*	554,166	466,187	395,010
Retirement benefit obligation *(Note 19)*	11,754,316	10,522,829	-
Total Liabilities	347,097,042	289,561,475	221,188,271
MEMBERS' EQUITY			
Contributed equity *(Notes 13 and 15)*	166,096,241	141,348,779	139,747,397
Surplus reserves *(Note 17)*	-	265,085	689,485
Revaluation reserves *(Note 17)*	(26,516,114)	(15,877,033)	(4,438,845)
Undistributed earnings	24,856,828	25,831,669	23,907,926
Total Members' equity	164,436,955	151,568,500	159,905,963
TOTAL LIABILITIES AND MEMBERS' EQUITY	P 511,533,997	P 441,129,975	P 381,094,234

See Notes to Financial Statements.

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.
(A Non-Stock,Non-Profit Organization)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Amounts in Philippine Peso)

	2013	2012 (As Restated)
REVENUES		
Interest on:		
Loans *(Note 9)*	P 27,071,580	P 24,590,625
Investment securities and deposits with banks *(Notes 5, 6 and 8)*	4,034,294	3,632,204
Income from sale of available-for-sale securities *(Note 7)*	6,055,647	3,427,172
Insurance fund *(Note 15)*	12,805,597	10,101,928
Service charges and fees *(Note 9)*	5,375,543	4,545,768
General fund *(Note 15)*	10,163,948	7,741,160
Membership fees *(Note 15)*	798,400	698,100
Others *(Note 21)*	2,103,890	2,051,296
	68,408,899	56,788,253
OTHER OPERATING EXPENSES		
Salaries, wages and employees' benefits *(Notes 18 and 19)*	7,627,204	8,073,463
Insurance claims	3,030,000	714,891
Meetings and conferences	2,081,156	3,025,000
Depreciation *(Notes 10 and 11)*	2,001,672	1,864,916
Transportation and travel	1,919,640	692,020
Repairs and maintenance	951,574	219,901
Impairment losses *(Note 9)*	884,003	384,001
Stationery and office supplies	835,384	181,180
Administrative expenses	714,728	1,608,809
Utilities	431,619	677,738
Professional fees	368,477	360,099
Communication	288,959	243,000
Taxes and licenses *(Note 26)*	135,344	737,574
Miscellaneous	3,200,434	342,192
	24,470,194	19,124,784
PROFIT BEFORE TAX	43,938,705	37,663,469
TAX EXPENSE *(Note 20)*	1,056,949	941,250
NET PROFIT	42,881,756	36,722,219
OTHER COMPREHENSIVE INCOME (LOSS)		
Remeasurements of post-employment defined benefit obligation *(Note 19)*	518,723	(12,187,164)
Cummulative fair value losses on disposed available-for-sale securities *(Note 7)*	1,157,073	2,020,677
Fair value losses on available-for-sale securities *(Note 7)*	(12,314,877)	(1,271,701)
	(10,639,081)	(11,438,188)
TOTAL COMPREHENSIVE INCOME	P 32,242,675	P 25,284,031

24 APR 2014

See Notes to Financial Statements.

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.
(A Non-Stock,Non-Profit Organization)
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Amounts in Philippine Peso)

	Contributed Equity	Surplus Reserves	Revaluation Reserves	Undistributed Earnings	Total
Balance at January 1, 2013 *(Notes 15 and 17)*					
As previously reported	P 115,473,958	P 265,085	(P 3,689,869)	P 58,354,887	P 170,404
Additional contributed equity *(Note 17)*	33,000,000	-	-	(33,000,000)	-
Transfer to legal policy reserves *(Notes 13 and 17)*	(7,115,861)	-	-	-	(7,115,
Transfer to contributed equity *(Note 17)*	(9,318)	-	-	9,318	-
Effect of adoption of PAS 19 *(Notes 3 and 17)*	-	-	(12,187,164)	467,464	(11,719,
As restated	141,348,779	265,085	(15,877,033)	25,831,669	151,568,
Contributions during the year *(Note 15)*	99,238,097	-	-	-	99,238,
Transfer to contributed equity *(Note 16)*	41,549,578	-	-	(41,549,578)	-
Withdrawals during the year	(66,947,623)	-	-	(2,307,019)	(69,254,
Transfer to legal policy reserves *(Note 13)*	(49,092,590)	-	-	-	(49,092,
Utilization of revaluation reserves *(Note 17)*	-	(265,085)	-	-	(265,
Total comprehensive income for the year	-	-	(10,639,081)	42,881,756	32,242,
Balance at December 31, 2013	P 166,096,241	P -	(P 26,516,114)	P 24,856,828	P 164,436,

	Contributed Equity	Surplus Reserves	Revaluation Reserves	Undistributed Earnings	Total
Balance at January 1, 2012					
As previously reported	P 106,747,397	P 689,485	(P 4,438,845)	P 56,907,926	P 159,905,9
Additional contributed equity *(Note 15)*	33,000,000	-	-	(33,000,000)	-
As restated	139,747,397	689,485	(4,438,845)	23,907,926	159,905,9
Contributions during the year *(Note 15)*	80,083,163	-	-	-	80,083,1
Transfer to contributed equity *(Note 16)*	32,386,657	-	-	(32,386,657)	-
Withdrawals during the year	(53,194,773)	-	-	(2,411,819)	(55,606,5
Transfer to legal policy reserves *(Note 13)*	(57,673,665)	-	-	-	(57,673,6
Utilization of revaluation reserves *(Note 17)*	-	(424,400)	-	-	(424,4
Total comprehensive income for the year	-	-	(11,438,188)	36,722,219	25,284,0
Balance at December 31, 2012	P 141,348,779	P 265,085	(P 15,877,033)	P 25,831,669	P 151,568,5

See Notes to Financial Statements.

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.

(A Non-Stock,Non-Profit Organization)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

(Amounts in Philippine Peso)

	2013	2012 (As Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	P 43,938,705	P 37,663,4
Adjustments for:		
Interest income *(Notes 5, 6, 8 and 9)*	(31,105,874)	(28,222,8
Gain on sale of available-for-sale securities *(Note 7)*	(6,055,647)	(3,427,1
Depreciation *(Notes 10 and 11)*	2,001,672	1,608,8
Impairment losses *(Note 9)*	884,003	384,0
Loss (gain) on sale of property and equipment	-	17,7
Operating profit before working capital changes	9,662,859	8,024,0
Increase in loans and other receivables	(47,638,083)	(20,743,7
Decrease (increase) in prepayments	(274,331)	777,2
Increase decrease in accounts payable and other liabilities	7,123,511	35,4
Increase post-employment benefit obligation *(Notes 17 and 19)*	1,750,210	(1,664,33
Increase (decrease) in insurance premium reserves	87,979	71,17
Cash used in operations	(29,287,855)	(13,500,12
Cash paid for income taxes *(Note 20)*	(977,478)	(855,81
Net Cash Used in Operating Activities	(30,265,333)	(14,355,94
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of available-for-sale securities	79,778,416	45,616,00
Interest received *(Notes 5, 6, 8 and 9)*	31,105,874	28,222,82
Decrease (increase) in short-term investments	(1,338,487)	3,059,09
Decrease in investment properties *(Note 11)*	3,020,137	1,370,40
Proceeds from sale of property and equipment	-	1,000,00
Increase in held-to-maturity investments	(1,000,000)	(7,000,00
Acquisitions of property and equipment *(Note 10)*	(2,017,055)	(7,265,86
Additions to available-for-sale securities *(Note 7)*	(102,071,373)	(40,923,85
Net Cash From Investing Activities	7,477,512	24,078,61
CASH FLOWS FROM FINANCING ACTIVITIES		
Members' contributions during the year *(Note 15)*	99,238,097	80,083,16
Members' withdrawals during the year	(69,254,642)	(55,606,59
Utilization of revaluation reserves *(Note 17)*	(265,085)	(424,40
Net Cash Provided by Financing Activities	29,718,370	24,052,17
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,930,549	33,774,84
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	86,662,839	52,887,99
CASH AND CASH EQUIVALENTS AT END OF YEAR *(Note 5)*	P 93,593,388	P 86,662,83

See Notes to Financial Statements.

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.
(A Non-Stock, Non-Profit Organization)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Amounts in Philippine Peso)

1. CORPORATE INFORMATION

Organization and Objectives

Praxis Fides Mutual Benefit Association, Inc. (the Association) was incorporated in the Philippines on February 17, 1987 primarily to foster brotherhood thru mutual help and benefit among its members, to encourage the habit of thrift and saving among its members, to provide financial material aid and comforts to members and their families in cases of losses, disability, necessities, unemployment, retirement, or old age as may be authorized by statutes of regulations prescribed by competent authority, and in general to do such acts and things and to undertake such activities not otherwise prohibited by law which are calculated to help members and necessary for the accomplishment of the purpose of which the association has been organized.

The registered office of the Association is located at 35 Paseo del Congreso, Catmon, Malolos, Bulacan.

Tax Exemption

As a non-stock, non-profit association, the Association is exempt from the payment of income tax under Section 30c of the National Internal Revenue Code. However, the income of whatever kind and character of the Association from any of its properties, real or personal, or from any of its activities conducted for profit, regardless of the disposition made of such income, shall be subjected to tax. Moreover, interest income derived from deposit with banks is subject to final tax.

Approval of Financial Statements

The financial statements of the Association for the year ended December 31, 2013 (including the comparatives for the year ended December 31, 2012) were authorized for issue by the Board of Trustees on April 10, 2014.

2. MEMBERSHIP

Any person eligible for membership shall become a member of the Association only after paying the initial membership fee and the first monthly contribution. Every member in good standing shall have the right, among others, to participate in the distribution of profit of the Association on the basis of his capital contributions after the Association has set aside such reserves as may be required by any existing laws and regulations. In addition, the member can avail of loans in accordance with his borrowing capacity subject to the limitations as provided for under the existing rules and regulations of the Association.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation of Financial Statements

a. Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Association have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared using the measurement bases specified by PFRS for each type of assets, liabilities, income and expense. The measurement bases are more fully described in the accounting policies that follow.

b. Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Association presents all items of income and expenses in a single statement of comprehensive income.

The Association presents a third statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

The Association's adoption of PAS 19 (Revised), *Employee Benefits*, resulted in material retrospective restatements on certain accounts as of December 31, 2012 and 2011. Accordingly, the Company presents a third statement of financial position as of December 31, 2011 without the related notes, except for the disclosures required under PAS 8, Accounting Polices, Changes in Accounting Estimates and Errors.

c. Functional and Presentation Currency

These financial statements are presented in Philippine peso, the Association's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Association are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Association operates.

Adoption of New and Amended PFRS

a. Effective in 2013 that are Relevant in the Association

In 2013, the Association adopted for the first time the following new PFRS, revisions and amendments thereto that are relevant to the Association and effective for financial statements for the annual period beginning on or after July 1, 2012 or January 1, 2013:

PAS 1 (Amendment)	:	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income
PAS 19 (Revised)	:	Employee Benefits
PFRS 7 (Amendment)	:	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
PFRS 11	:	Joint Arrangements
PFRS 12	:	Disclosure of Interests in Other Entities
PFRS 10, 11 and PFRS 12 (Amendments)	:	Amendments to PFRS 10, 11 and 12 - Transition Guidance to PFRS 10, 11 and 12
PFRS 13	:	Fair Value Measurement
Annual Improvements	:	Annual Improvements to PFRS (2009-2011 Cycle)

Discussed below are relevant information about these amended standards:

i. PAS 1 (Amendment), *Financial Statements Presentation – Presentation of Items of Other Comprehensive Income* (effective from July 1, 2012). The amendment requires an entity to group items presented in other comprehensive income into those that, in accordance with other PFRSs: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. The amendment has been applied retrospectively, hence, the presentation of other comprehensive income has been modified to reflect the changes. In 2013, the Association also opted to present two separate statements for the statement of profit or loss and statement of comprehensive income. Prior period comparatives have been restated as a consequence of this change in presentation.

ii. PAS 19 (Revised), *Employee Benefits* (effective from January 1, 2013). The revision made a number of changes as part of the improvements throughout the standard. The main changes relate to defined benefit plans as follows:

- eliminates the corridor approach and requires the recognition of remeasurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income;

- changes the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest expense or income based on the net defined benefit liability or asset; and,

- enhances disclosure requirements, including information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans.

The Association has applied PAS 19 (Revised) retrospectively in accordance with its transitional provisions. Consequently, it restated the comparative amounts disclosed in prior years and adjusted the cumulative effect of the changes against the 2012 balances as no fair value changes in 2011. The affected assets, liabilities, and equity components as shown below:

	December 31, 2012		
	As Previously Reported	Effect of Adoption of PAS 19	As Restated
Change in asset:			
Post-employment defined benefit obligation	(P 1,196,871)	P 11,719,700	P 10,522,829
Changes in liability:			
Accrued expenses	P 1,196,871	(P 11,719,700)	(P 10,522,829)

The effects of the adoption of PAS 19 (Revised) on the statement of profit or loss and statement of comprehensive income for the year ended December 31, 2012 are shown below:

	As Previously Reported	Effect of Adoption of PAS 19	As Restated
Changes in profit or loss:			
Retirement expense	P 2,618,965	(P 467,464)	2,151,501
Changes in other comprehensive income:			
Remeasurements of post-employment defined benefit plan – net of tax	P -	(P 12,187,164)	(P 12,187,164)

The adoption of PAS 19 (Revised) did not have a material impact on Company's statement of cash flows for the year ended December 31, 2012.

iii. PFRS 7 (Amendment), *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities* (effective from January 1, 2013). The amendment requires qualitative and quantitative disclosures relating to gross and net amounts of recognized financial instruments that are set-off in accordance with PAS 32, *Financial Instruments: Presentation*. The amendment also requires disclosure of information about recognized financial instruments which are subject to enforceable master netting arrangements or similar agreements, even if they are not set-off in the statement of financial position, including those which do not meet some or all of the offsetting criteria under PAS 32 and amounts related to a financial collateral. These disclosures will allow financial statement users to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with recognized financial assets and financial liabilities on the entity's financial position. The Association has initially assessed that the adoption of the amendment will not have a significant impact on its financial statements.

iv. PFRS 13, *Fair Value Measurement* (effective from January 1, 2013). This new standard clarifies the definition of fair value and provides guidance and enhanced disclosures about fair value measurements. The requirements under this standard do not extend the use of fair value accounting but provide guidance on how it should be applied to both financial instrument items and non-financial items for which other PFRS require or permit fair value measurements or disclosures about fair value measurements, except in certain circumstances. This new standard applies prospectively from annual period beginning January 1, 2013, hence, disclosure requirements need not be presented in the comparative information in the first year of application.

The application of this new standard had no significant impact on the amounts recognized in the financial statements.

v. 2009-2011 Annual Improvements to PFRS. Annual improvements to PFRS (2009-2011 Cycle) made minor amendments to a number of PFRS. Among those improvements, the following amendments are relevant to the Association:

a. PAS 1 (Amendment), *Presentation of Financial Statements – Clarification of the Requirements for Comparative Information*. The amendment clarifies that a statement of financial position as at the beginning of the preceding period (third statement of financial position) is required when an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the third statement of financial position. The amendment specifies that other than disclosure of certain specified information in accordance with PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors,* related notes to the third statement of financial position are not required to be presented.

   Consequent to the Association's adoption of PAS 19 (Revised) in the current year which resulted in retrospective restatement of the prior years' financial statements, the Association has presented a third statement of financial position as of December 31, 2011 without the related notes, except for the disclosure requirements of PAS 8.

b. PAS 16 (Amendment), *Property, Plant and Equipment – Classification of Servicing Equipment*. The amendment addresses a perceived inconsistency in the classification requirements for servicing equipment which resulted in classifying servicing equipment as part of inventory when it is used for more than one period. It clarifies that items such as spare parts, stand-by equipment and servicing equipment shall be recognized as property, plant and equipment when they meet the definition of property, plant and equipment, otherwise, these are classified as inventory. This amendment had no impact on the Association's financial statements since it has been recognizing those servicing equipment in accordance with the recognition criteria under PAS 16.

c. PAS 32 (Amendment), *Financial Instruments – Presentation – Tax Effect of Distributions to Holders of Equity Instruments*. The amendment clarifies that the consequences of income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with PAS 12. Accordingly, income tax relating to distributions to holders of an equity instrument is recognized in profit or loss while income tax related to the transaction costs of an equity transaction is recognized in equity. This amendment had no effect on the Association's financial statements as it has been recognizing the effect of distributions to holders of equity instruments and transaction costs of an equity transaction in accordance with PAS 12.

b. *Effective in 2013 that are not Relevant to the Association*

The following amendments, annual improvements and interpretation to PFRS are mandatory for accounting periods beginning on or after January 1, 2013 but are not relevant to the Association's financial statements:

PFRS 1 (Amendment)	:	First-time Adoption of PFRS – Government Loans
Annual Improvements PAS 34 (Amendment)	:	Interim Financial Reporting – Interim Financial Reporting and Segment Information for Total Assets and Liabilities
PFRS 1 (Amendment)	:	First-time Adoption of PFRS – Repeated Application of PFRS 1 and Borrowing Cost
Philippine Interpretation International Financial Reporting Interpretation Committee 20	:	Stripping Costs in the Production Phase of a Surface Mine

c. *Effective Subsequent to 2013 but not Adopted Early*

There are new PFRS, amendments and annual improvements and interpretation to existing standards that are effective for periods subsequent to 2013. Management has initially determined the following pronouncements, which the Association will apply in accordance with their transitional provisions, to be relevant to its financial statements:

i. PAS 19 (Amendment), *Employee Benefits – Defined Benefit Plans – Employee Contributions* (effective from January 1, 2014). The amendment clarifies that if the amount of the contributions from employees or third parties is dependent on the number of years of service, an entity shall attribute the contributions to periods of service using the same attribution method (i.e., either using the plan's contribution formula or on a straight-line basis) for the gross benefit. Management has initially determined that this amendment will have no impact on the Association's financial statements.

ii. PAS 32 (Amendment), *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* (effective from January 1, 2014). The amendment provides guidance to address inconsistencies in applying the criteria for offsetting financial assets and financial liabilities. It clarifies that a right of set-off is required to be legally enforceable, in the normal course of business; in the event of default; and in the event of insolvency or bankruptcy of the entity and all of the counterparties. The amendment also clarifies the principle behind net settlement and provided characteristics of a gross settlement system that would satisfy the criterion for net settlement. The Association does not expect this amendment to have a significant impact on its financial statements.

iii. PAS 36 (Amendment), *Impairment of Assets – Recoverable Amount Disclosures for Non-financial Assets* (effective from January 1, 2014). The amendment clarifies that the requirements for the disclosure of information about the recoverable amount of assets or cash-generating units is limited only to the recoverable amount of impaired assets that is based on fair value less cost of disposal. It also introduces an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount based on fair value less cost of disposal is determined using a present value technique. Management will reflect in its subsequent years' financial statements the changes arising from this relief on disclosure requirements, if the impact of the amendment will be applicable.

iv. PAS 39 (Amendment), *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting (effective from January 1, 2014)*. The amendment provides some relief from the requirements on hedge accounting by allowing entities to continue the use of hedge accounting when a derivative is noted to a clearing counterparty resulting in termination or expiration of the original hedging instrument as a consequence of laws and regulations, or the introduction thereof. As the Association neither enters into transactions involving derivative instruments nor it applies hedge accounting, the amendment will not have an impact on the financial statements.

v. PFRS 9, *Financial Instruments: Classification and Measurement*. This is the first part of a new standard on financial instruments that will replace PAS 39, Financial Instruments: Recognition and Measurement in its entirety. The first phase of the standard was issued on November 2009 and October 2010 and contains new requirements and guidance for the classification, measurement and recognition of financial assets and financial liabilities. It requires financial assets to be classified into two measurement categories: amortized cost or fair value. Debt instruments that are held within a business model whose objective is to collect the contractual cash flows that represent solely payments of principal and interest on the principal outstanding are generally measured at amortized cost. All other debt instruments and equity instruments are measured at fair value. In addition, PFRS 9 allows entities to make an irrevocable election to present subsequent changes in the fair value of an equity instrument that is not held for trading in other comprehensive income.

The accounting for embedded derivatives in host contracts that are financial assets is simplified by removing the requirement to consider whether or not they are closely related, and, in most arrangements, does not require separation from the host contract.

For liabilities, the standard retains most of the PAS 39 requirements which include amortized cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in case where the fair value option is taken for financial liabilities, the part of a fair value change due to the liability's credit risk is recognized in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch.

In November 2013, the IASB has published amendments to International Financial Reporting Standard (IFRS) 9 that contain new chapter and model on hedge accounting that provides significant improvements principally by aligning hedge accounting more closely with the risk management activities undertaken by entities when hedging their financial and non-financial risk exposures. The amendment also now requires changes in the fair value of an entity's own debt instruments caused by changes in its own credit quality to be recognized in other comprehensive income rather in profit or loss. It also includes the removal of the January 1, 2015 mandatory effective date of IFRS 9.

To date, the remaining chapter of IFRS/PFRS 9 dealing with impairment methodology is still being completed. Further, the IASB is currently discussing some limited modifications to address certain application issues regarding classification of financial assets and to provide other considerations in determining business model.

The Association does not expect to implement and adopt PFRS 9 until its effective date. In addition, management is currently assessing the impact of PFRS 9 on the financial statements of the Association and it will conduct a comprehensive study of the potential impact of this standard prior to its mandatory adoption date to assess the impact of all changes.

vi. PFRS 10, 12 and PAS 27 (Amendments) - *Investment Entities* (effective from January 1, 2014). The amendments define the term "investment entities," provide supporting guidance, and require investment entities to measure investments in the form of controlling interest in another entity, at fair value through profit or loss.

Management does not anticipate these amendments to have a material impact on the Association's financial statements.

vii. Annual Improvements to PFRS. Annual improvements to PFRS (2010- 2012 Cycle) and PFRS (2011-2013 Cycle) made minor amendments to a number of PFRS, which are effective for annual period beginning on or after July 1, 2014. Among those improvements, the following amendments are relevant to the Association but management does not expect a material impact on the Association's financial statements:

Annual Improvements to PFRS (2010-2012 cycle)

a. PAS 16 (Amendment), *Property, Plant and Equipment and PAS 38 (Amendment), Intangible Assets*. The amendments clarify that when an item of property, plant and equipment, and intangible assets is revalued, the gross carrying amount is adjusted in a manner that is consistent with a revaluation of the carrying amount of the asset.

b. PAS 24 (Amendment), *Related Party Disclosures*. The amendment clarifies that an entity providing key management services to a reporting entity is deemed to be a related party of the latter. It also requires and clarifies that the information required to be disclosed in the financial statements are the amounts incurred by the reporting entity for key management personnel services that are provided by a separate management entity should and not the amounts of compensation paid or payable by the key management entity to its employees or directors.

c. PFRS 13 (Amendment), *Fair Value Measurement*. The amendment, through a revision only in the basis of conclusion of PFRS 13, clarifies that issuing PFRS 13 and amending certain provisions of PFRS 9 and PAS 39 related to discounting of financial instruments, did not remove the ability to measure short-term receivables and payables with no stated interest rate on an undiscounted basis, when the effect of not discounting is immaterial.

Annual Improvements to PFRS (2011-2013 Cycle,)

a. PFRS 13 (Amendment), *Fair Value Measurement*. The amendment clarifies that the scope of the exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis (the portfolio exception) applies to all contracts within the scope of, and accounted for in accordance with, PAS 39 or PFRS 9, regardless of whether they meet the definition of financial assets or financial liabilities as defined in PAS 32.

b. PAS 40 (Amendment), *Investment Property*. The amendment clarifies the interrelationship of PFRS 3, *Business Combinations*, and PAS 40 in determining the classification of property as an investment property or owner-occupied property, and explicitly requires an entity to use judgment in determining whether the acquisition of an investment property is an acquisition of an asset or a group of asset, or a business combination in reference to PFRS 3.

Cash and Cash Equivalents

Cash include cash on hand and in banks. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less, readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Short-term Investments

Short-term investment includes time deposits with original maturities of more than three months but less than one year.

Financial Instruments

1. *Financial Assets*

Financial assets are recognized when the Association becomes a party to the contractual terms of the financial instrument. Financial assets other than those designated and effective as hedging instruments are classified into the following categories: financial assets at Fair Value Through Profit or Loss (FVTPL), loans and receivables, HTM investments and AFS securities. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated at every reporting date at which date a choice of classification or accounting treatment is available, subject to compliance with specific provisions of applicable accounting standards.

Regular purchases and sales of financial assets are recognized on their trade date. All financial assets that are not classified as at FVTPL are initially recognized at fair value, plus any directly attributable transaction costs. Financial assets carried at FVTPL are initially recognized at fair value and transaction costs related to it are recognized in profit or loss.

The foregoing categories of financial instruments of the Association are more fully described below.

a. Financial Assets at FVTPL

This category includes financial assets that are either classified as held for trading or that meets certain conditions and are designated by the entity to be carried at FVTPL upon initial recognition. All derivatives fall into this category, except for those designated and effective as hedging instruments.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value, and changes therein are recognized in profit or loss. Financial assets (except derivatives and financial instruments originally designated as financial assets at FVTPL) may be reclassified out of fair value through profit or loss category if they are no longer held for the purpose of being sold or repurchased in the near term.

As of December 31, 2013 and 2012, the Association does not have financial assets designated at FVTPL.

b. AFS Securities

This category includes non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets.

All financial assets within this category are measured at fair value, unless otherwise disclosed, with changes in value recognized in other comprehensive income. When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognized in other comprehensive income is reclassified from revaluation reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income.

Reversal of impairment losses are recognized in other comprehensive income, except for financial assets that are debt securities which are recognized in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognized.

c. HTM Investments

This includes non-derivative financial assets with fixed or determinable payments and a fixed date of maturity. Investments are classified as HTM if the Association has the positive intention and ability to hold them until maturity. Investments intended to be held for an undefined period are not included in this classification.

If the Association sells other than an insignificant amount of HTM investments, the entire category would be tainted and reclassified as AFS securities under PFRS, and the Association will be prohibited from holding investments under the HTM category for the next two years after tainting occurred. The tainting provision under PFRS will not apply if the sales or reclassifications of HTM investments are (1) so close to maturity or the financial asset's call date that changes in the market rate of interest would not have a significant effect on the financial asset's fair value; (2) occur after the Association has collected substantially all of the financial asset's original principal through scheduled payments or prepayments; or (3) are attributable to an isolated event that is beyond the control of the Association, is nonrecurring and could not have been reasonably anticipated by the Association.

Subsequent to initial recognition, the HTM investments are measured at amortized cost using the effective interest method, less impairment losses, if any. Impairment loss, which is the difference between the carrying value and the present value of estimated future cash flows of the investment, is recognized when there is objective evidence that the investment has been impaired. Any changes to the carrying amount of the investment, including impairment loss, are recognized in profit or loss.

d. *Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Association provides money or services directly to a debtor with no intention of trading the receivables. Included in this category are those arising from direct loans to customers and all receivables from customers and other association.

The Association's financial assets categorized as loans and receivables are presented as Cash and cash equivalents, Short-term investments and Loans and other receivables in the statements of financial position.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment losses, if any. Any change in their value is recognized in profit or loss, except for increases in fair values of reclassified financial assets under PAS 39 and PFRS 7. Increases in estimates of future cash receipts from such financial assets shall be recognized as an adjustment to the effective interest rate from the date of the change in estimate rather than as an adjustment to the carrying amount of the financial asset at the date of the change in estimate.

Impairment loss is provided when there is objective evidence that the Association will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the difference between the assets' carrying amount and the present value of estimated future cash flows.

For investments that are actively traded in organized financial markets, fair value is determined by reference to exchange-quoted market bid prices at the close of business on the reporting period. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Non-compounding interest and other cash flows resulting from holding financial assets are recognized in profit or loss when earned, regardless of how the related carrying amount of financial assets is measured.

Derecognition of financial assets occurs when the rights to receive cash flows from the financial instruments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

2. *Offsetting Financial Instruments*

Financial assets and liabilities are set-off and the resulting net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

3. *Impairment of Financial Assets*

The Association assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (events) has (have) an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Association about certain loss events, including, among others: significant financial difficulty of the issuer or debtor; a breach of contract, such as a default or delinquency in interest or principal payments; it is probable that the borrower will enter bankruptcy or other financial reorganization; the disappearance of an active market for that financial asset because of financial difficulties; or observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group.

a. *Assets Carried at Amortized Cost*

The Association first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Association determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial asset with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans or HTM investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit loss that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of income. If loans or HTM investments have a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Association may measure impairment on the basis of an instrument's fair value using an observable market price.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Association's grading process that considers asset type, industry, geographical location, collateral type, past due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the Association and historical loss experience for assets with credit risk characteristics similar to those in the Association. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimated future cash flows are reviewed regularly by the Association to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the statement of comprehensive income.

b. *Assets Carried at Fair Value*

The Association assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired.

If any such evidence exists for AFS securities, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the profit or loss - is removed from capital funds and recognized in the statement of comprehensive income.

Impairment losses recognized in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the profit or loss, the impairment loss is reversed through the statement of comprehensive income.

c. *Assets Carried at Cost*

If there is objective evidence of impairment for any of the unquoted equity securities carried at cost, the amount of impairment loss is recognized. The amount of impairment loss is the difference between the carrying amount of the equity security and the present value of the estimated future cash flows discounted at the current market rate of return of a similar asset. Impairment losses on assets carried at cost cannot be reversed.

4. *Financial Liabilities*

Financial liabilities are classified as financial liabilities at FVTPL, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Association determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

As at December 31, 2013 and 2012, the Association did not have financial liabilities at FVTPL or derivative liabilities designated as hedging instruments.

The Association's financial liabilities include accounts payable and other liabilities, legal policy reserves, and insurance premium reserves. These are recognized when the Association becomes a party to the contractual agreements of the instrument.

Accounts payable and other liabilities and insurance premium reserves are initially recognized at their fair value and subsequently measured at amortized cost, using effective interest method for any maturities beyond one year, less settlement payments.

Legal policy reserves are recognized as financial liabilities based on the amounts recommended by an independent actuary.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the profit or loss in the statement of comprehensive income.

Property and Equipment

Land and building and improvements are measured at acquisition or construction cost less depreciation for building and improvements. As no finite useful life for land can be determined, related carrying amount are not depreciated. All other property and equipment are carried at acquisition cost less accumulated depreciation and any impairment in value.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in income for the period.

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets as follows:

Building and improvements	2-30 years
Office furniture, fixtures and other equipment	2-5 years
Transportation equipment	2-5 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The residual values and estimated useful lives of property and equipment are reviewed, and adjusted if appropriate, at each reporting date.

An item of property and equipment, including the related accumulated depreciation and impairment losses, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statements of comprehensive income in the year the item is derecognized.

Investment Property

This account includes parcels of land acquired in settlement of loans recorded at the lower of the total loan exposure or bid price at the same time of foreclosure, which should not be higher than the fair value of the property less costs to sell. Any excess of the loan balance over the bid price that is not recoverable from the borrower is included under Other losses in the statements of comprehensive income. Holding costs subsequent to foreclosure or acquisition of the properties are charged to operations as incurred.

Other investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. This investment property is initially recognized at cost, which includes acquisition price plus directly attributable cost incurred such as legal fees, transfer taxes and other transaction impairment losses, if any.

Any gain or loss resulting from either a change in the fair value or the sale or retirement of an investment property is immediately recognized in the profit or loss as Fair value gains from investment property under the Other gains (losses) in the statements of comprehensive income.

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal.

Impairment of Non-financial Assets

The Association's property and equipment and investment property are subject to impairment testing. All other individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, assets are tested for impairment either individually or at the cash-generating unit level.

Impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of its fair value less costs to sell and its value in use. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Association's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

Fair Value of Financial Instruments

The fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models.

Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow c economic resources and they can be estimated reliably even if the timing or amount of th outflow may still be uncertain. A present obligation arises from the presence of a legal c constructive obligation that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the preser obligation, based on the most reliable evidence available at the end of the reportin period, including the risks and uncertainties associated with the present obligatior Where there are a number of similar obligations, the likelihood that an outflow will b required in settlement is determined by considering the class of obligations as a whole When time value of money is material, long-term provisions are discounted to thei present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized a interest expense. Provisions are reviewed at the end of each reporting period and adjustec to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of presen obligations is considered improbable or remote, or the amount to be provided for canno be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Association that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Association can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

Revenue and Expense Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- *Interest* - revenue is recognized as the interest accrues taking into account the effective yield on the asset, except that no interest is accrued on past due loans in accordance with Association's policy.

  Interest collected in advance (unearned interest income) is amortized to earnings using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Association estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

  Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

- *General and insurance funds and membership fees* – revenue is recognized monthly as they become due from members.

- *Service charges and fees* – revenue is amortized and recognized using the effective interest rate method over the term of the loan.

Cost and operating expenses are recognized in profit or loss upon utilization of services or at the date they are incurred.

Short-term Employee Benefits

Short-term employee benefits are recognized as expense in the period when the economic benefits are given. Unpaid benefits at the end of the accounting period are recognized as accrued expense while benefits paid in advance are recognized as prepayment to the extent that it will lead to a reduction in future payments. Short-term benefits given by the Association to its employees include salaries and wages, social security contributions, short-term compensated absences, profit-sharing and bonuses, and non-monetary benefits.

Retirement Benefits

The Association does not have a formal retirement plan. However, the Association accrues for retirement benefit obligation based on an actuarial valuation from an independent actuary.

The liability recognized in the statements of financial position for defined benefit pension plan is the present value of the defined benefit obligation (DBO) at the end of the reporting period less the fair value of plan assets. The DBO is calculated annually by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated futures cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Remeasurements, comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and the return on plan assets (excluding amount included in net interest) are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they arise. Net interest is calculated by applying the discount rate at the beginning of the period, taking account of any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments. Net interest is reported as part of Finance Costs or Finance Income account in the statement of profit or loss.

Past-service costs are recognized immediately in profit or loss in the period of a plan amendment.

Leases

The Association accounts for its leases as follows:

a. *Association as Lessee*

Leases which do not transfer to the Association substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as expense in the statements of comprehensive income on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

b. *Association as Lessor*

Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized in profit or loss on a straight-line basis over the lease term.

The Association determines whether an arrangement is, or contains a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Income Taxes

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of the reporting period. They are calculated using to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in the profit or loss.

Related Party Relationships and Transactions

Related party transactions are transfers of resources, services or obligations between the Association and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Association; (b) associates; and, (c) individuals owning, directly or indirectly, an interest in the voting power of the Association that gives them significant influence over the Association and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Members' Equity

Contributed equity is determined based on contributions made by members after considering withdrawals of members.

Surplus reserves and revaluation comprise of appropriations, and gains and losses due to the revaluation of certain financial assets, respectively.

Undistributed earnings include all current and prior period results as disclosed in the statements of comprehensive income, net of dividends declaration.

Events after the End of the Reporting Period

Any post-year-end event that provides additional information about the Association's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The Association's financial statements prepared in accordance with PFRS require management to make judgments and estimates that affect amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances. Actual results may ultimately differ from these estimates.

Critical Management Judgments in Applying Accounting Policies

In the process of applying the Association's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements:

a. *Going Concern*

The Association's management has made an assessment of the Association's ability to continue as a going concern and is satisfied that the Association has the resources to continue its business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Association's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

b. *Classification of Financial Instruments*

The Association exercises judgment in classifying a financial instrument on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statement of financial position.

The Association classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether quoted prices are readily and regularly available, and whether those prices represent actual and regularly occurring market transactions on an arm's length basis.

c. *Classifying Financial Assets as Held-to-maturity Investments*

In classifying non-derivative financial assets with fixed or determinable payments and fixed maturity, such as held-to-maturity investments, the Association evaluates its intention and ability to hold such investments up to maturity. Management has confirmed its intention and determined its ability to hold the investments up to maturity. If the Association fails to keep these investments to maturity other than for specific circumstances as allowed under the standards, it will be required to reclassify the whole class as available-for-sale financial assets. In such a case, the investments would therefore be measured at fair value, not amortized cost.

d. *Impairment of Available-for-sale Financial Assets*

The determination when an investment is other-than-temporarily impaired requires significant judgment. In making this judgment, the Association evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows. Based on the recent evaluation of information and circumstances affecting the Association's available-for-sale financial assets, management concluded that none of the AFS financial assets are impaired as of December 31, 2013 and 2012. Future changes in those information and circumstance might significantly affect the carrying amount of the assets.

e. *Distinction between Investment properties and Owner-Managed Properties*

The Association determines whether a property qualifies as investment property. In making its judgment, the Association considers whether the property generated cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the production and supply of goods and services or for administrative purposes. If these portion can be sold separately or leased out separately under finance lease, the Association accounts for the portions separately. If the portion cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Association considers each property separately in making its judgment.

f. *Distinction between Operating and Finance Leases*

The Association has entered into various lease agreements. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

g. Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions and contingencies are discussed in Note 3 above and disclosures on relevant provisions and contingencies are presented in Note 21.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

a. Impairment on Financial Assets (AFS Securities, HTM Investments and Loans and Other Receivables)

Adequate amount of allowance for impairment is provided for specific and groups of accounts, where objective evidence of impairment exists. The Association evaluates the amount of allowance for impairment based on available facts and circumstances, including, but not limited to, the length of the Association's relationship with the borrowers, the borrowers' current credit status based on known market forces, average age of accounts, collection experience and historical loss experience.

The carrying value of AFS securities, HTM investments and loans and other receivables and the analysis of allowance for impairment on such financial assets are shown in Notes 7, 8 and 9, respectively.

b. Fair Value of Financial Instruments

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument.

Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Fair value losses of P12.31 million in 2013 and P1.27 million in 2012 on available-for-sale financial assets was reported in the Other comprehensive income. The carrying values of the assets are disclosed in Note 7.

The fair values of the Association's financial instruments are disclosed in Note 23.

c. Estimating Useful Lives of Property and Equipment

The Association estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The carrying amounts of property and equipment are analysed in Note 10. Based on management's assessment as of December 31, 2013 and 2012, there is no change in estimated useful lives of those assets during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

d. Valuation of Post-employment Defined Benefit

The determination of the Association's obligation and cost of post-employment is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 19 and include, among others, discount rates, expected rate of return on plan assets and expected rate of salary increases. In accordance with PFRS, actual results that differ from the assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods.

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit as well as the significant assumptions used in estimating such obligation are presented in Note 19.

e. Impairment of Non-financial Assets

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

In 2013 and 2012, there were no impairment losses recognized on non-financial assets.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components as of December 31:

	2013	2012
Cash in banks	P 44,940,101	P 25,878,156
Short-term placements	48,653,287	60,784,683
	P 93,593,388	P 86,662,839

Cash in banks generally earn interest at rates based on daily banks deposit rates. Short-term placements are made for varying periods of between 30 to 90 days and earn effective annual interest ranging from .88% to 4.63% in 2013 and 2.10% to 4.13% in 2012.

The interest earned on cash in banks and short-term placements amounted to P1,765,43 in 2013 and P1,267,772 in 2012 and are presented as part of interest on investmen securities and deposits with banks in the statements of comprehensive income.

6. SHORT-TERM INVESTMENTS

The short-term investments amounted to P23,362,778 in 2013 and P22,024,291 in 2012. Thes investments are made for more than three months but less than one-year term deposi placement with a local bank bearing an annual effective interest ranging from 1.25% t 3.63% in 2013 and 2.88% to 6.50% in 2012.

The interest earned on short-term investments amounted to P471,123 in 2013 and P551,03 in 2012 and are presented as part of interest on investment securities and deposits with banks in the statements of comprehensive income.

7. AVAILABLE-FOR-SALE SECURITIES

This account comprises of equity securities as follows:

	2013	2012
Quoted	P 39,865,800	P 22,675,000
Unquoted	500,000	500,000
	P 40,365,800	P 23,175,000

The reconciliation of the carrying amounts of available-for-sale financial assets is as follows:

	2013	2012
Balance at beginning of year	P 23,175,000	P 23,691,000
Additions	102,071,373	40,923,855
Disposals	(73,722,769)	(42,188,831)
Fair value gains (losses)	(11,157,804)	748,976
Balance at end of year	P 40,365,800	P 23,175,000

In 2013 and 2012, the Association recognized gain from disposal of securities amounting to P6,055,647 and P3,427,172, respectively.

Quoted equity securities consist of investments in companies listed in the Philippine Stock Exchange. Unquoted equity security consists of investment in a non-stock association.

The fair values of listed equity securities have been determined directly by reference to published prices in active markets.

Unquoted equity securities are carried at cost since fair values bases are neither readily available nor is there an alternative basis for deriving a reasonable valuation as of reporting date. Management believes that no impairment should be recognized with this investment.

8. HELD-TO-MATURITY INVESTMENTS

This account consists of the following treasury bonds:

	2013	2012
5-Year Treasury Bonds	P 5,000,000	P 9,000,000
10-Year Treasury Bonds	10,000,000	5,000,000
20-Year Treasury Bonds	7,000,000	7,000,000
	P 22,000,000	P 21,000,000

Treasury bonds bear interest ranging from 3.25% to 7.25% in 2013 and 5.25% to 9.00% in 2012. These investments were set aside as guarantee fund reserves in compliance with the Association's registration as mutual benefit association.

The interest earned on these investments amounted to P1,440,141 in 2013 and P835,217 in 2012 and are presented as part of interest on investment securities and deposits with banks in the statements of comprehensive income.

The fair values of these bonds approximate the published price quotations in active markets.

9. LOANS AND OTHER RECEIVABLES

The details of this account are shown below:

	2013	2012
Consumption loans	P 227,946,768	P 183,405,923
Other receivables:		
Accrued interest receivable	10,235,913	7,690,885
Accounts receivable	8,298,047	7,745,837
	246,480,728	198,842,645
Allowance for impairment losses	(5,753,156)	(4,869,153)
	P 240,727,572	P 193,973,492

The Association grants loans ranging from P1,000 to P6,000,000 with annual effective interest rates ranging from 5% to 16% in 2013 and in 2012.

The interest earned on loans and other receivables amounted to P27,071,580 in 2013 and P24,590,625 in 2012 and are presented as interest on loans in the statements of comprehensive income.

Accounts receivable pertains to unremitted collections and receivable to borrowers who reacquired their previously foreclosed properties.

The Association collects service fees at 3% of loans granted. Service fees amounted to P5,375,543 and P4,545,768 in 2013 and 2012, respectively.

Past due loans amounted to P9,787,228 in 2013 and P9,117,377 in 2012.

The movement in the allowance for impairment losses in loans receivables are as follow:

	2013	2012
Balance at beginning of year	P 4,869,153	P 4,485,152
Impairment losses during the year	884,003	384,001
Balance at end of year	P 5,753,156	P 4,869,153

10. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation at the beginning and end of 2013 and 2012 are shown below:

	Building and Improvements	Transportation Equipment	Furniture Fixtures and Equipment	Land	Total
December 31, 2013					
Cost or valuation	P 11,523,389	P 3,675,821	P 4,623,769	P 7,530,436	P 27,353,415
Accumulated depreciation	(3,458,278)	(1,762,902)	(3,605,607)	(-)	(8,826,787)
Net carrying amount	P 8,065,111	P 1,912,919	P 1,018,162	P 7,530,436	P 18,526,628
December 31, 2012					
Cost or valuation	P 10,704,452	P 3,478,941	P 3,985,132	P 15,449,370	P 33,617,895
Accumulated depreciation	(3,089,382)	(1,024,372)	(2,732,180)	(-)	(6,845,934)
Net carrying amount	P 7,615,070	P 2,454,569	P 1,252,952	P 15,449,370	P 26,771,961
January 1, 2012					
Cost or valuation	P 6,915,790	P 2,380,041	P 3,074,327	P 15,449,370	P 27,819,528
Accumulated depreciation	(2,785,260)	(980,731)	(1,920,852)	-	(5,686,843)
Net carrying amount	P 4,130,530	P 1,399,310	P 1,153,475	P 15,449,370	P 22,132,685

A reconciliation of the carrying amounts of property and equipment at the beginning and end of 2013 and 2012 is shown below:

	Building And Improvements	Transportation Equipment	Furniture Fixtures and Equipment	Land	Total
Balance at January 1, 2013, net of accumulated depreciation	P 7,615,070	P 2,454,569	P 1,252,952	P 15,449,370	P 26,771,961
Additions	1,181,538	196,880	638,637		2,017,055
Transfer to investment property - net *(see Note 11)*	(362,601)	-	-	(7,918,934)	(8,281,535)
Depreciation charge for the year	(368,896)	(738,530)	(873,427)	-	(1,980,853)
Balance at December 31, 2013, net of accumulated depreciation	P 8,065,111	P 1,912,919	P 1,018,162	P 7,530,436	P 18,526,628
Balance at January 1, 2012, net of accumulated depreciation	P 4,130,530	P 1,399,310	P 1,153,475	P 15,449,370	P 22,132,685
Additions	3,788,662	2,566,400	910,805	-	7,265,867
Net book value of assets disposed of	-	(1,017,782)	-	-	(1,017,782)
Depreciation charge for the year	(304,122)	(493,359)	(811,328)	-	(1,608,809)
Balance at December 31, 2012, net of accumulated depreciation	P 7,615,070	P 2,454,569	P 1,252,952	P 15,449,370	P 26,771,961

There were no expenses recognized related to impairment in both years.

11. INVESTMENT PROPERTIES

The Association's investment property pertains to the portion of the land and land improvements held for sale and lease. These also include real and other properties acquired in satisfaction of unsettled debts. The Association currently holds these acquired assets for purposes of capital appreciation and continues to value its properties using the cost model.

The gross carrying amounts and the accumulated depreciation of investment property are shown below:

	Land	Land Improvements	Total
December 31, 2013			
Cost	P 71,357,159	P 362,601	P 71,719,760
Accumulated depreciation	-	(20,819)	(20,819)
Net carrying amount	P 71,357,159	P 341,782	P 71,698,941
December 31, 2012			
Cost	P 66,458,362	P -	P 66,458,362
Accumulated depreciation	-	-	-
Net carrying amount	P 66,458,362	P -	P 66,458,362
January 1, 2012			
Cost	P 67,828,770	P -	P 67,828,770
Accumulated depreciation	-	-	-
Net carrying amount	P 67,828,770	P -	P 67,828,770

The reconciliations of the carrying amounts at the beginning and end of 2013 and 2012, of investment property, are shown below:

	Land	Land Improvements	Total
Balance at January 1, 2013, net of accumulated depredation	P 66,458,362	P -	P 66,458,362
Adjustments	(3,095,137)	-	(3,095,137)
Depreciation charge for the year	-	(20,819)	(20,819)
Transfers from property and equipment- net *(see Note 10)*	7,993,934	362,601	8,356,535
Balance at December 31, 2013, net of accumulated depreciation	P 71,357,159	P 341,782	P 71,698,941
Balance at January 1, 2012, net of accumulated depreciation	P 67,828,770	P -	P 67,828,770
Adjustments	(1,370,408)	-	(1,370,408)
Balance at December 31, 2012, net of accumulated depreciation	P 66,458,362	P -	P 66,458,362

The Association's investment properties include real and other properties acquired satisfaction of unsettled debts. The Association currently holds these acquired assets f purposes of capital appreciation and continues to value its properties using the cc model.

The fair value information of the investment properties as at December 31, 2013 and 201 cannot be determined reliably primarily because comparable market transactions wei infrequent and alternative reliable estimates of fair value based on discounted cash flov projections were not available as at the financial reporting date.

12. ACCOUNTS PAYABLE AND OTHER LIABILITIES

This account consists of:

	2013	2012
Accounts payable	P 10,967,239	P 6,302,729
Accrued expenses	6,130,275	3,665,592
Advance deposit	125,404	118,532
Due to government agencies	90,345	102,899
	P 17,313,263	P 10,189,752

13. LEGAL POLICY RESERVES

This account represents the amount set-up by the Association to cover future benefit payments to members based on the amounts recommended by an independent actuary accredited by the Insurance Commission.

The movement of legal policy reserves is presented below:

	2013	2012 (As Restated)
Balance at beginning of year	P 268,382,707	P 210,709,042
Transfer from contributed equity	49,092,590	57,673,665
Balance at end of year	P 317,475,297	P 268,382,707

14. INSURANCE PREMIUM RESERVES

This account represents the amount set-up by the Association as insurance premiur reserves based on 50% of the total insurance collected from the members to cover an insurance claim by the members.

The account is broken down as follows:

		2013		2012
Insurance fund collateral	P	1,108,332	P	932,374
Multiply by 50%		50%		50%
	P	554,166	P	466,187

The movements of this account are as follows:

		2013		2012
Insurance premium reserve, beginning	P	466,187	P	395,010
Additional reserves		87,979		71,177
Insurance premium reserve, ending	P	554,166	P	466,187

15. MEMBERS' CONTRIBUTIONS

The Association collects monthly contributions from members ranging from P100 to P20,000 depending on the mode of payments and insurance cover which forms part of general fund and insurance fund. The general fund amounted to P10,163,948 and P7,741,160 and in 2013 and 2012, respectively while insurance fund amounted to P12,805,597 and P10,101,928 in 2013 and 2012, respectively.

Members can only withdraw the contributed equity upon termination of membership in the Association. A portion of members' equity is transferred to general fund when members fail to remit their monthly loan contributions. Members whose equity is less than the members' outstanding loan balance are reclassified as non-members. Total contributions amounted to P99,238,097 and P80,083,163 in 2013 and 2012, respectively.

Membership fees are recorded as revenues and are shown as Membership fees in the statements of comprehensive income. Membership fees amounted to P798,400 and P698,100 in 2013 and 2012, respectively.

As of December 31, 2013 and 2012, the Association has a total of 76,005 and 60,928 members, respectively.

16. DIVIDENDS

The Association's Board of Trustees declared dividends amounting to P41,549,578 in 2013 and P32,386,657 in 2012. These dividends are being transferred to contributed equity and is available for distribution to members.

In accordance with the Insurance Commission, dividends distributed to inactive members were reclassified as Dividends payable in the statements of financial position.

17. MEMBERS' EQUITY

Surplus Reserves

Surplus reserves pertain to amount reserve for educational fund.

The movements of this account are as follows:

	2013	2012
Balance at beginning of the year	P 265,085	P 689,485
Utilization during the year	(265,085)	(424,400)
Balance at end of the year	P -	P 265,085

Revaluation Reserves

The breakdown of revaluation reserves are shown below:

	2013	2012 As Restated
Balance at beginning of year	(P 15,877,033)	(P 4,438,845)
Fair value gains (loss) on AFS	(11,157,804)	748,976
Remeasurements of defined benefit post-employment obligation	518,723	(12,187,164)
Balance at end of year	(P 26,516,114)	(P 15,877,033)

Prior Period Adjustments

The balance of contributed equity and undistributed earnings as of January 1, 2012 were restated from the amount previously reported to reflect the following adjustments which is applicable to year prior to 2012:

	Contributed Equity	Undistributed Earnings
Transfer from guarantee fund reserve	P 33,000,000	(P 33,000,000)
Transfer to legal policy reserve	(7,115,861)	-
Transfer to contributed equity	(9,318)	(9,318)
Effect of adoption of PAS19	-	467,464
	P 25,874,821	(P 32,541,854)

The effect of the above restatements is to increase total liabilities by P7,115,861 in 2012.

18. RELATED PARTY TRANSACTIONS

The Association's related parties include the Association's employees and key management personnel.

Loans and Receivables with Related Parties

In the ordinary course of business, the Association has loans and other transactions with its members, including officers and employees of the Association (hereinafter referred to as related parties). Under the Association's policy, these loans and other transactions are made substantially on the same terms as with other members.

The movement of these loans to related parties is presented below:

	2013	2012 (As Restated)
Balance at beginning of year	P 652,135	P 264,984
Releases during the year	199,865	497,700
Collections during the year	(276,595)	(110,549)
Balance at end of year	P 575,405	P 652,135

The outstanding balance includes interest receivables amounting to P15,608 in 2013 and P92,906 in 2012. Total interest income recognized amounted to P127,726 in 2013 and P46,731 in 2012 presented as part of interest income on loans in the statement of comprehensive income.

Key Management Compensation

The compensation of key management is broken down as follows:

	2013	2012
Salaries and wages	P 1,574,294	P 1,602,656
Short-term benefits	1,925,929	1,853,264
Retirement benefits	2,256,047	2,151,501
	P 5,756,270	P 5,607,421

Key management includes general manager and higher positions.

19. EMPLOYEE BENEFITS

Expenses recognized for salaries and employee benefits are presented below:

	2013	2012 (As Restated)
Salaries and wages	P 3,240,321	P 3,846,826
Retirement costs	2,256,047	2,151,501
Employees welfare and benefits	1,925,929	1,853,264
Social security costs	204,907	221,872
	P 7,627,204	P 8,073,463

The Association does not have yet a tax-qualified, non-contributory retirement plan as of December 31, 2013. However, actuarial valuations were made to update the retirement benefit costs as of December 31, 2013 and 2012.

The amount of retirement benefit asset recognized in the statement of financial position is determined as follows:

	2013	2012 (As Restated)
Present value of the obligation (asset)	P 11,754,316	(P 1,196,871)
Unrecognized actuarial loss	-	11,719,700
Retirement benefit obligation	P 11,754,316	P 10,522,829

The movements in the retirement benefit obligation recognized in the statements of financial position are as follows:

	2013	2012 (As Restated)
Balance at beginning of year	P 10,522,829	(P 1,326,364)
Retirement expense recognized in profit or loss	2,256,047	2,151,501
Retirement expense recognized in OCI in other comprehensive income	(518,723)	12,187,164
Benefits paid	(505,837)	(2,489,472)
Balance at end of year	P 11,754,316	P 10,522,829

The changes in the present value of the defined benefit obligation and fair value of plan asset as of December 31, 2013 and 2012 are presented below:

Defined Benefit Obligation

	2013	2012 As Restated
Balance at beginning of year	P 16,375,242	P 15,506,29
Interest cost	963,941	930,37
Current service cost	1,638,888	1,621,06
Benefits paid	(428,517)	(4,115,91
Actuarial gains	(865,506)	2,433,42
Balance at end of year	P 17,684,048	P 16,375,24

Fair Value of Plan Asset

	2013	2012 As Restated
Balance at beginning of year	P 5,852,413	P 7,478,85
Contributions	505,836	2,489,47
Benefits paid	(428,517)	(4,115,91
Balance at end of year	P 5,929,732	P 5,852,41
Net change in Present Value	P 11,754,316	P 10,522,82

The components of amounts recognized in profit or loss and in other comprehensi income in respect of the defined benefit post-employment plan are as follows:

	2013	2012 (As Restated)
Reported in profit or loss:		
Current service costs	P 1,638,888	P 1,621,061
Interest costs	617,159	530,439
	P 2,256,047	P 2,151,500

	2013	2012 (As Restated)
Reported in other comprehensive income:		
Actuarial losses (gains)	P 518,723	(P 12,187,164

For the determination of the retirement benefit obligation, the following actuari assumptions were used:

	2013	2012
Discount rates	5.29%	5.89%
Expected rate of return on plan assets	5%	5%
Expected rate of salary increases	10%	10%

Assumptions regarding mortality are based on published statistics and mortality table. The average age of the employees is 35.03 years and 35.66 years in 2013 and 201 respectively, while the average years of service is 7.42 years in 2013 and 8.89 years in 201

20. TAX EXPENSE

The components of tax expense as reported in the statements of comprehensive income are presented below.

		2013		2012
Final tax at 20%	P	824,048	P	726,441
Regular corporate income tax		232,901		214,809
	P	1,056,949	P	941,250

As mentioned in Note 1, the Association is exempt from the payment of income tax under Section 30c of the National Internal Revenue Code. However, the Association's income from rental is subjected to regular income tax of 30%.

In 2013, the Association donated computer equipment to Alexis G. Santos National High School, Masagana Public High School and Lolomboy National High School amounting to P164,350. Likewise, the Association donated computer equipment of P147,045 to San Gabriel Elementary School in 2012, science equipment package of P73,550 in 2011 to Turo Elementary School located in Bocaue, Bulacan and P80,000 in 2010 to Sta. Maria Elementary School located in Poblacion, Sta. Maria, Bulacan. Under the Memorandum of Agreement between the Association and Department of Education, the Association entitles to tax incentives equivalent to the amount donated plus an additional 50% of the amount donated subject to approval by the Bureau of Internal Revenue (BIR) pursuant to Revenue Regulations No. 10-2003.

21. COMMITMENTS AND CONTINGENCIES

The following are the significant commitments and contingencies involving the Association

Operating Lease

The Association is a lessor on various offices with terms ranging from one to ten years, with renewal options, and includes annual escalation rates of 10%. The future minimum lease payments receivable under these leases as of December 31 are as follows:

		2013		2012
Within one year	P	769,231	P	720,225
After one year but not more than five years		527,629		1,057,460
	P	1,296,860	P	1,777,685

Rental income recognized from these leases amounted to P776,337 in 2013 and P716,(in 2012 and presented as part of Others under Revenues account in the statements comprehensive income.

Others

In the normal course of business, the Association makes various commitments and incurs certain contingent liabilities that are not given recognition in the Association's financial statements. As of December 31, 2013, management believes that losses, if any, that may arise from these commitments and contingencies will not have a material effect on the Association's financial statements.

22. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Association is exposed to a variety of financial risks in relation to financial instruments. The Association's financial assets and liabilities by category are summarized in Note 23. The main types of risks are market risk, credit risk and liquidity risk.

The Association's risk management is coordinated with the Board of Trustees, and focuses on actively securing the Association's short- to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Association does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Association is exposed to are described below.

Market Risk

The Association is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks which result from both its operating and investing activities.

a. *Foreign Currency Sensitivity*

The Association has no significant exposure to foreign currency risks as most transactions are denominated in Philippine peso, its functional currency.

b. *Interest Rate Sensitivity*

The Association's policy is to minimize interest rate cash flow risk exposures on long-term financing. The Association is exposed only to changes in market interest rates through its cash and cash equivalents, short-term investments and HTM investments as there are no existing bank borrowings. All other financial assets (such as loans and other receivables) and financial liabilities (such as accounts payable and other liabilities) have fixed interest rates.

Interest income would have either increased or decreased by P53,462 in 2013 and P52,213 in 2012 assuming reasonably possible change in interest rates of +/-0.82% for regular savings and +/-1.49% for time deposit account in 2013 and 2012, with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on the Association's cash and cash equivalents held at December 31, 2013 and 2012. All other variables are held constant.

c. *Other Price Risk Sensitivity*

The Association's market price risk arises from its investments carried at fair value (available-for-sale securities). It manages its risk arising from changes in market price by monitoring the changes in the market price of the investments. For these securities, an average volatility of 23% has been observed in both years. If quoted price for these securities increased or decreased by that amount, loss before tax would have changed by P2,566,295 in 2013 and profit before tax of P5,215,250 in 2012.

These investments are considered long-term strategic investments. No specific hedging activities are undertaken in relation to these investments. The investments are continuously monitored and voting rights arising from these equity investments are utilized in the Association's favor.

Credit Risk

Credit risk is the risk that counterparty fails to discharge an obligation to the Association. The Association is exposed to this risk for various financial instruments, for example by granting loans and receivables to borrowers, placing deposits and investment in bonds.

An analysis of the maximum exposure to credit risk, net of allowance for credit and impairment losses, to credit risk exposures before taking into account any collateral held or other credit enhancements for the components of the statements of financial position is shown below:

	2013	2012
Cash and cash equivalents	P 93,593,388	P 86,662,839
Short term investments	23,362,778	22,024,291
AFS securities	40,365,800	23,175,000
HTM investments	22,000,000	21,000,000
Loans and other receivables	240,727,572	193,973,492
	P 420,049,538	P 346,835,622

The following tables show the credit quality of financial assets by class (gross of allowance) of the Association:

	2013					
	Neither Past Due Nor Impaired					
	High Grade	Standard Grade	Substantard Grade	Past Due But Not Impaired	Impaired	Total
Cash and cash equivalents	P 93,593,388	P -	P -	P -	P -	P 93,593,388
Short-term investments	23,362,778	-	-	-	-	23,362,778
AFS Securities	40,365,800	-	-	-	-	40,365,800
HTM investments	22,000,000	-	-	-	-	22,000,000
Loans and receivables:						
Consumption loans	-	218,159,540	-	5,902,850	3,884,378	227,946,768
Accrued interest receivable	-	10,235,913	-	-	-	10,235,913
Accounts receivable	-	8,298,047	-	-	-	8,298,047
	P 179,321,966	P 236,693,500	P -	P 5,902,850	P 3,884,378	P 425,802,694

	2012					
	Neither Past Due Nor Impaired			Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade	Substantard Grade			
Cash and cash equivalents	P 86,662,839	P -	P -	P -	P -	P 86,662,839
Short-term investments	22,024,291	-	-	-	-	22,024,291
AFS Securities	23,175,000	-	-	-	-	23,175,000
HTM investments	21,000,000	-	-	-	-	21,000,000
Loans and receivables:						
Consumption loans	-	174,288,546	-	4,248,224	4,869,153	183,405,923
Accrued interest receivable	-	7,690,885	-	-	-	7,690,885
Accounts receivable	-	7,745,837	-	-	-	7,745,837
	P 152,862,130	P 189,725,268	P -	P 4,248,224	P 4,869,153	P 351,704,775

The succeeding tables show the aging analysis of past due loans and other receivables but not yet impaired. Under PFRS, a financial asset is past due when the counterparty has failed to make a payment when contractually due.

	2013					
	Less than 30 days	31 to 60 days	61 to 90 days	91 to 180 days	Over 180 days	Total
Loans and receivables:						
Consumption	P	P	P	P 1,220,252	P 4,682,598	P 5,902,850
Accounts receivable	-	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-	-
	P -	P -	P -	P 1,220,252	P 4,682,598	P 5,902,850

	2012					
	Less than 30 days	31 to 60 days	61 to 90 days	91 to 180 days	Over 180 days	Total
Loans and receivables:						
Consumption	P 1,976,159	P 1,909,697	P 30,557	P 331,811	P -	P 4,248,224
Accounts receivable	-	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-	-
	P 1,976,159	P 1,909,697	P 30,557	P 331,811	P -	P 4,248,224

The Association's management considers the net amount of the above financial assets that are not impaired or past due for each reporting dates are of good credit quality. The bases in grading the Association's financial assets are as follows:

1. *High Grade*

   These are financial assets which have a high probability of collection. The counterparty has the apparent ability to satisfy its obligation and the security is readily enforceable.

2. *Standard Grade*

   These are receivables where collections are probable due to the reputation and the financial ability of the counterparty to pay but with the experience of default.

3. *Substandard Grade*

   These are receivables where the counterparty has the experience of default and probability of turning past due in the near future and/or are already past due.

Liquidity Risk

Liquidity risk is generally defined as the current and prospective risk to earnings or capital arising from the Association's inability to meet its obligations when they fall due without incurring unacceptable losses or costs.

The Association's Management Committee is responsible for the overall management and oversight of the Association's liquidity profile, while the day to day management of liquidity is assumed by the Finance Department. A cash flow mismatch analysis is used to measure the Association's liquidity. A maturity ladder is constructed to determine the cumulative net excess or deficit of funds at appropriate time bands. Net cumulative outflow limits have been put in place to ensure that the Association's funding requirements are not strained.

The tables below summarize the maturity profile of the Association's financial instruments:

	2013				
	On Demand	Less than 3 Months	3 to 12 Months	Over 1 Year	Total
Financial Assets:					
Cash and cash equivalents	P 44,940,101	P 48,653,287	P -	P -	P 93,593,388
Short-term investments	-	-	23,362,778	-	23,362,778
AFS securities	40,365,800	-	-	-	40,365,800
HTM investments	-	-		22,000,000	22,000,000
Loans and Receivables - gross	8,298,047	46,009,853	66,667,251	125,505,577	246,480,728
	93,603,948	94,663,140	90,030,029	147,505,577	425,802,694
Financial liabilities:					
Accounts payable and other liabilities	17,097,514	-	-	125,404	17,222,918
Legal policy reserves	317,475,297	-	-	-	317,475,297
Insurance premium reserves	554,166	-	-	-	554,166
	335,126,977	-	-	125,404	335,252,381
Cumulative gap	(P 241,523,029)	P 94,663,140	P 90,030,029	P 147,380,173	P 90,550,313

	2012 As Restated				
	On Demand	Less than 3 Months	3 to 12 Months	Over 1 Year	Total
Financial Assets:					
Cash and cash equivalents	P 25,878,156	P 60,784,683	P -	P -	P 86,662,839
Short-term investments	-	-	22,024,291	-	22,024,291
AFS securities	23,175,000	-	-	-	23,175,000
HTM investments	-	-	4,000,000	17,000,000	21,000,000
Loans and Receivables - gross	7,745,837	43,434,821	58,728,687	88,933,300	198,842,645
	56,798,993	104,219,504	84,752,978	105,933,300	351,704,775
Financial liabilities:					
Accounts payable and other liabilities	9,968,321	-	-	118,532	10,086,853
Legal policy reserves	268,382,707	-	-	-	268,382,707
Insurance premium reserves	466,187	-	-	-	466,187
	278,817,215	-	-	118,532	278,935,747
Cumulative gap	(P 222,018,222)	P 104,219,504	P 84,752,978	P 105,814,768	P 72,769,028

To ensure that the Association maintains a prudent and management level of cumulative negative gap, the Association maintains a pool of highly liquid assets in the form of short-term investments. Further, the Association has pending credit lines with the banks in the event of funding its operations.

23. CATEGORIES AND FAIR VALUES OF FINANCIAL ASSETS

a. *Fair Value of Financial Instruments*

The following tables set forth the carrying values and estimated fair values of financial assets and liabilities, by category and by class, recognized as of December 31, 2013 and 2012:

	2013		2012 As Restated	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Cash and cash equivalents	P 93,593,388	P 93,593,388	P 86,662,839	P 86,662,839
Short-term investments	23,362,778	23,362,778	22,024,291	22,024,291
AFS securities	40,365,800	40,365,800	23,175,000	23,175,000
HTM investments	22,000,000	22,000,000	21,000,000	21,000,000
Loans and other receivables	246,480,728	240,727,572	198,842,645	193,973,492
	P 425,802,694	P 420,049,538	P 351,704,775	P 346,835,622
Financial Liabilities				
Other financial liabilities:				
Accounts payable and other liabilities	P 17,222,918	P 17,222,918	P 10,086,853	P 10,086,853
Legal policy reserves	317,475,297	317,475,297	268,382,707	268,382,707
Insurance premium reserves	554,166	554,166	466,187	466,187
	P 335,252,381	P 335,252,381	P 278,935,747	P 278,935,747

The methods and assumptions used by the Association in estimating the fair value of the financial instruments are as follows:

i. Cash and cash equivalents and short-term investments

The carrying amounts approximate fair values given the short-term nature of the instruments.

ii. AFS securities

For publicly traded equity securities, fair values are based on quoted prices published in markets. For unquoted equity securities, fair value could not be reliably determined due to the unpredictable timing of future cash flows and the lack of suitable methods of arriving at a reliable fair value. These are carried at original cost less allowance for impairment loss.

iii. *HTM investments and Loans and other receivables*

HTM investments and loans and other receivables are net of impairment losse The estimated fair value of these financial assets represents the discounte amount of estimated future cash flows expected to be received. Long terı interest-bearing loans are periodically repriced at interest rates equivalent to th current market rates, to determine fair value.

iv. *Accounts payable and other liabilities, legal policy reserves, and insurance premiuı reserves*

These liabilities are recognized initially at their fair value and subsequentl measured at amounts to which they are to be paid. Fair value of these short-terr liabilities approximates their carrying values.

b. *Fair Value Hierarchy*

The Association uses the following hierarchy for determining and disclosing the fai value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets o liabilities
- Level 2: other techniques for which all inputs which have a significant effect on th recorded fair value are observable, either directly or indirectly
- Level 3: techniques which use inputs which have a significant effect on th recorded fair value that are not based on observable market data.

The level within which the financial asset or liability is classified is determined basec on the lowest level of significant input to the fair value measurement.

There have been no significant transfers among Levels 1, 2 and 3 in the reportinç periods.

As of December 31, 2013 and 2012, AFS securities are the only financial assets (nil for liabilities) measured at fair value. The financial asset values are determined at faiı value hierarchy as follows:

	2013	2012
Level 1	P 39,865,800	P 22,675,000
Level 2	-	-
Level 3	500,000	500,000
	P 40,365,800	P 23,175,000

24. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Association s' capital management objectives are to ensure the Association's abilit continue as a going concern and to provide an adequate return to members by pri products and services commensurately with the level of risk.

The Association sets the amount of capital in proportion to its overall financing struct i.e. equity and financial liabilities. The Association manages the capital structure makes adjustments to it in light of changes in economic conditions and the characteristics of the underlying assets. In order to maintain or adjust the capital struct the Association may adjust the amount of dividends paid to members or sell asset reduce debt.

The Association monitors capital on the basis of the carrying amount of equity presented on the face of the statements of financial position. Capital for the report periods under review is summarized as follows:

	2013	2012
Total liabilities	P 347,097,042	P 289,561,47
Total equity	164,436,955	151,568,50
Debt-to-equity ratio	2.11:1.00	1.91:1.00

25. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The following table shows an analysis of assets and liabilities and analyzed according whether they are expected to be recovered or settled within one year and beyond one y from reporting date.

As of December 31, 2013, the maturity profile of assets and liabilities follows:

	2013		
	Due With One Year	Due Beyond Year	Total
Assets:			
Cash and cash equivalents	P 93,593,388	P -	P 93,593,3
Short-term investment	23,362,778	-	23,362,7
AFS securities	40,365,800	-	40,365,8
HTM investments		22,000,000	22,000,0
Loans and other receivables	115,221,993	125,505,579	240,727,5
Property and equipment	-	18,526,628	18,526,6
Investment properties	-	71,698,941	71,698,9
Prepayments	1,258,890	-	1,258,8
	P 273,802,849	P 237,731,148	P 511,533,9
Liabilities:			
Accounts payable and other liabilities	P 17,187,859	P 125,404	P 17,313,2
Legal policy reserves	317,475,297	-	317,475,2
Insurance premium reserves	554,166	-	554,1
Retirement benefit obligation	-	11,754,316	11,754,3
	P 335,217,322	P 11,879,720	P 347,097,0

As of December 31, 2012, the maturity profile of assets and liabilities follows:

	As Restated 2012		
	Due With One Year	Due Beyond Year	Total
Assets:			
Cash and cash equivalents	P 86,662,839	P -	P 86,662,839
Short-term investment	22,024,291	-	22,024,291
AFS securities	23,175,000	-	23,175,000
HTM investments	4,000,000	17,000,000	21,000,000
Loans and other receivables	105,040,192	88,933,300	193,973,492
Property and equipment	-	26,771,961	26,771,961
Investment properties	-	66,458,362	66,458,362
Prepayments	1,064,030	-	1,064,030
	P 241,966,352	P 199,163,623	P 441,129,975
Liabilities:			
Accounts payable and other liabilities	P 10,071,220	P 118,532	P 10,189,752
Legal policy reserves	268,382,707	-	268,382,707
Insurance premium reserves	466,187	-	466,187
Retirement benefit obligation	-	10,522,829	10,522,829
	P 278,920,114	P 10,641,361	P 289,561,475

26. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented below is the supplementary information which is required by the Bureau of Internal Revenue (BIR) under its existing revenue regulations to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

Requirements under Revenue Regulations (RR) 15-2010

The information on taxes, duties and license fees paid or accrued during the taxable year required under RR 15-2010 are as follows:

a. *Output Value-Added Tax*

   The Association does not have output VAT for the year since there were no transactions subject to VAT.

b. *Input Value-Added Tax*

   Input VAT arising from various purchases were directly charged by the Association as cost and expense.

c. *Taxes on Importation*

   The Association has no taxes on importation since it does not have any transactions which are subject to importation taxes.

d. Excise Tax

The Association does not have excise tax in any of the year presented since it does not have any transactions which are subject to excise tax.

e. Documentary Stamps Tax

The Association did not incur any documentary stamps taxes for the year 2013.

f. Taxes and Licenses

The details of Taxes and licenses account are broken down as follows:

Insurance commission filing and license fee	P	60,000
Municipal license and permits		25,000
Percentage taxes		18,885
Real property tax		11,977
Annual registration fee		500
Residence or community tax		500
Others		18,482
	P	135,344

g. Withholding Taxes

The details of total withholding taxes for the year ended December 31, 2013 are shown below:

Compensation and employee benefits	P	173,892
Expanded		32,990
	P	206,882

h. Deficiency Tax Assessments and Tax Cases

As of December 31, 2013, the Association does not have any deficiency tax assessments with the BIR nor does it have tax cases outstanding or pending in courts or bodies outside the BIR in any of the open years.

Requirements under RR 19-2011

RR 19-2011 requires schedules of taxable revenues and other non-operating income, costs of sales and services, and itemized deductions, to be disclosed in the notes to financial statements.

The amounts of taxable revenues and income, and deductible costs and expenses presented below are based on relevant tax regulations issued by the BIR, hence, may not be the same as the amounts reflected in the 2012 statement of comprehensive income.

a. Exempt Revenues

The Association's exempt revenues for the year amounted to P27,071,580 relating to interest income on loans and other receivables, investment securities and deposits with banks.

b. *Cost of Services*

The Association does not have cost of services for the year.

c. *Exempt and Taxable Non-operating and Other Income*

The Associations taxable other income amounted to P776,337.

The Association's exempt non-operating and other income for the year are shown below:

Insurance fund	P	12,805,597
General fund		10,163,948
Income from sale of available-for-sale securities		6,055,647
Service charges and fees		5,375,543
Interest income on investment securities		4,034,294
Membership fees		798,400
Others		1,327,553
	P	40,560,982

d. *Itemized Deductions*

The Association's exempt itemized deductions for the year are shown below:

Salaries, wages and employees' benefits	P	7,627,204
Insurance		3,030,000
Meetings and conferences		2,081,156
Depreciation		2,001,672
Transportation and travel		1,919,640
Stationery and office supplies		835,384
Communication, light and water		720,578
Bad debts		884,003
Repairs and maintenance		951,574
Administrative expenses		714,728
Professional fees		368,477
Taxes and licenses		135,344
Miscellaneous		3,200,434
	P	24,470,194

27. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the 2012 financial statements were reclassified to conform with the 2013 financial statement presentation of accounts.

REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY SEC SCHEDULES FILED SEPARATELY
FROM THE BASIC FINANCIAL STATEMENTS

The Board of Trustees
Praxis Fides Mutual Benefit Association, Inc.
(A Non-Stock, Non-Profit Organization)
35 Paseo del Congreso, Catmon
Malolos, Bulacan

We have audited in accordance with Philippine Standards on Auditing, the financial statement of Praxis Fides Mutual Benefit Association, Inc. *(A Non-Stock, Non-Profit Association)* for the yea ended December 31, 2013, on which we have rendered our report dated April 10, 2014. Our audi was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The following schedules as of and for the year ended December 31, 2013 are presented fo purposes of additional analysis in compliance with the requirements of Securities Regulatio Code Rule 68, and are not required parts of the basic financial statements prepared in accordanc with Philippine Financial Reporting Standards:

1. Schedule of Receipts or Income Other Than Contributions and Donations;
2. Schedule of Contributions and Donations;
3. Schedule of Disbursements According to Sources and Activities; and,
4. Tabular Schedule of Standards and Interpretations

Such supplementary information are the responsibility of management. The supplementar information have been subjected to the auditing procedures applied in the audit of the basi financial statements and, in opinion, are fairly stated in all material respects in relation to th basic financial statements taken as a whole.

AMC & ASSOCIATES

By: **Joseph Cedric V. Calica**
Partner
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TIN 163-257-226-000
PTR No. 4233400, Jan. 8, 2014, Makati City
BIR Accreditation No. 08-002582-1-2011
(Dec. 27, 2011 to Dec. 26, 2014)
BSP Accreditation (Category B)
(Feb. 14, 2014 to Feb. 13, 2017)
IC Accreditation No. SP-2012/009-R
(Feb. 8, 2012 to Feb. 7, 2015)
SEC Accreditation No. 1261-A (Group C)
(Nov. 5, 2012 to Nov. 4, 2015)

April 10, 2014

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PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.
(A Non-Stock, Non-Profit Organization)
SCHEDULE OF RECEIPTS
FOR THE YEAR ENDED DECEMBER 31, 2013

	General Fund	Basic Benefit Fund	Optional Fund	Total
Membership Fees/Dues Contribution	P 32,771,543	P 112,043,694	P -	P 144,815,237
Gross Income				
Interest on Deposits with Banks	-	-	2,941,355	2,941,355
Interest on Mortgage Loans	-	20,960,500	-	20,960,500
Interest on Collateral Loans	-	947,774	-	947,774
Interest on Certificate Loans	-	11,567,056	-	11,567,056
Other Income	-	2,103,890	-	2,103,890
Collection of receivables	-	199,241,396	-	199,241,396
Proceeds of deposits	-	-	12,008,169	12,008,169
Sales of stocks	-	-	4,309,058	4,309,058
TOTAL	P 32,771,543	P 346,864,310	P 19,258,582	P 398,894,435

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.
(A Non-Stock, Non-Profit Organization)
SCHEDULE OF DISBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

	General Fund	Basic Benefit Fund	Optional Fund	Total
Benefits Paid	P -	P 40,098,872	P -	P 40,098,872
Direct Expense				
Commission Incentives	-	21,809,195	-	21,809,195
Operating Expenses	20,758,864	-	-	20,758,864
Loan Releases	-	243,432,971	-	243,432,971
Placement of Time Deposit	-	-	17,100,000	17,100,000
Bonds	-	-	5,000,000	5,000,000
Stocks	-	-	29,533,661	29,533,661
Purchase of:				
Investment property	-	-	9,700,000	9,700,000
Transportation	-	-	196,880	196,880
Office Equipment	-	-	637,246	637,246
Furniture and fixtures	-	-	50,691	50,691
Other Disbursements	-	-	2,307,019	2,307,019
TOTAL	P 20,758,864	P 305,341,038	P 64,525,497	P 390,625,399

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.
Schedule of Philippine Financial Reporting Standards and Interpretations
Adopted by the Securities and Exchnage Commission and the
Financial Reporting Standards Council as of December 31, 2013

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	No Applic
Framework for the Preparation and Presentation of Financial Statements				
Conceptual Framework Phase A: Objectives and Qualitative Characteristics				
Practice Statement Management Commentary				
Philippine Financial Reporting Standards (PFRS)				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			✓
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets			✓
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures *(deferred application)*			✓
PFRS 8	Operating Segments			✓
PFRS 9	Financial Instruments	✓		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures			✓
PFRS 10	Consolidated Financial Statements			✓
	Amendment to PFRS 10: Transition Guidance			✓
	Amendment to PFRS 10: Investment Entities			✓
PFRS 11	Joint Arrangements			✓
	Amendment to PFRS 11: Transition Guidance			✓
PFRS 12	Disclosure of Interests in Other Entities			✓
	Amendment to PFRS 12: Transition Guidance			✓
	Amendment to PFRS 12: Investment Entities			✓
PFRS 13	Fair Value Measurement	✓		

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.
Schedule of Philippine Financial Reporting Standards and Interpretations
Adopted by the Securities and Exchnage Commission and the
Financial Reporting Standards Council as of December 31, 2013

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Philippine Accounting Standards (PAS)				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets			✓
PAS 16	Property, Plant and Equipment	✓		
PAS 17	Leases	✓		✓
PAS 18	Revenue	✓		
PAS 19 (Revised)	Employee Benefits	✓		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates			✓
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs			✓
PAS 24 (Revised)	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans	✓		
PAS 27 (Revised)	Separate Financial Statements			✓
	Amendment to PAS 27: Investment Entities			✓
PAS 28 (Revised)	Investments in Associates and Joint Ventures			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 31	Interests in Joint Ventures			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities			✓
PAS 33	Earnings per Share			✓
PAS 34	Interim Financial Reporting			✓
PAS 36	Impairment of Assets	✓		
	Amendment to PAS 36: Recoverable Amount Disclosures for Non-financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets			✓

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.
Schedule of Philippine Financial Reporting Standards and Interpretations
Adopted by the Securities and Exchnage Commission and the
Financial Reporting Standards Council as of December 31, 2013

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicabl
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities			✓
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition			✓
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendment to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
PAS 40	Investment Property	✓		
PAS 41	Agriculture			✓
Philippine Interpretations - International Financial Reporting Interpretations Committee (IFRIC)				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease			✓
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 8	*Scope of PFRS 2*			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			✓
IFRIC 10	*Interim Financial Reporting and Impairment*			✓
IFRIC 11	PFRS 2- Group and Treasury Share Transactions			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies			✓
Philippine Interpretations - Standing Interpretations Committee (SIC)				
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.
Schedule of Philippine Financial Reporting Standards and Interpretations
Adopted by the Securities and Exchnage Commission and the
Financial Reporting Standards Council as of December 31, 2013

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
SIC-12	Consolidation - Special Purpose Entities			✓
	Amendment to SIC - 12: Scope of SIC 12			✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
SIC-15	Operating Leases - Incentives			✓
SIC-21	Income Taxes - Recovery of Revalued Non-Depreciable Assets			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
SIC-29	Service Concession Arrangements: Disclosures.			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

REPUBLIC OF THE PHIIPPINES)
Province of Bulacan
City of Malolos

SWORN STATEMENT

We, **Msgr. Luciano C. Balagtas**, President and Chairman, and **Fr. Angelito S. Santiago**, Treasurer, of **Praxis Fides Mutual Benefit Association, Inc.** with business address at **35 Paseo del Congreso, Catmon, City of Malolos, Bulacan**, after having been duly sworn in accordance with law hereby depose and state the accuracy and completeness of the following schedules for the year ended December 31, 2013:

1. Schedule of Receipts or Income Other Than Contributions and Donations;
2. Schedule of Contributions and Donations (Annex A); and
3. Schedule of Disbursements According to Sources and Activities.

In witness thereof, we are executing this sworn statement to attest to the truth of the facts herein stated and in compliance with the requirements of Securities and Exchange Commission.

Msgr. Luciano C. Balagtas
President & Chairman

Fr. Angelito S. Santiago
Treasurer

SUBSCRIBED AND SWORN to before me this MAY 14 2014 at MALOLOS CITY, affiants exhibited to their Community Tax Certificate as follows:

Name	CTC No.	Place of Issue	Date of Issue
Msgr. Luciano C. Balagtas	Driver's License C07-74-008111		Jan. 02, 2012
Fr. Angelito S. Santiago	Driver's License C07-99-188919		Aug. 01, 2011

ATTY. JOEL AMOS P. ALEJANDRO
NOTARY PUBLIC
UNTIL DEC. 31, 2014
PTR NO. 0196228/JAN. 6, 2014
IBP NO. 07248/PASIG CITY
ROLL NO. 39951

Doc. No. : 398
Page No. : 81
Book No. : 13
Series of 2014

SCHEDULE OF CONTRIBUTIONS/DONATIONS

Name of Foundation/Organization	SEC Registration No.
Praxis Fides Mutual Benefit Association, Inc.	138299
For the year ended December 31, 2013	

Part I Contributors/Donors[1]

(a) No.	(b) Name and address	(c) Nationality[2]	(d) Total Contributions	(e) Type of Contribution[3]
1	....	....	P............	Cash ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
2	....	....	P............	Cash ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
3	....	....	P............	Cash ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
4	....	....	P............	Cash ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
5	....	....	P............	Cash ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
6	....	....	P............	Cash ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
7	....	....	P............	Cash ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
8	....	....	P............	Cash ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
9	....	....	P............	Cash ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
10	....	....	P............	Cash ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
11	Others (aggregate of all contributions which are individually below P100,000.00) – by nationality	....	P19,154,934	Cash ☒ Noncash ☐

[1] A **contributor or donor** includes individuals, partnerships, corporations, associations, trusts and organizations.
[2] If **supranational organization**, indicate place of principal office or domicile.
[3] **Contributions or donations** reportable on the Schedule are contributions, donations, grants, bequests, devises, and gifts of money or property, amounting to P100,000.00 or more from each contributor or donor.

Name of Foundation/Organization Praxis Fides Mutual Benefit Association, Inc.	SEC Registration No. 138299
For the year ended December 31, 2013	

Part II	Noncash Property

(a) No. from Part I	(b) Description of noncash property given	(c) Fair Market Value (or estimate)	(d) Date received
1	....	P	....
2	....	P	....
3	....	P	....
4	....	P	....
5	....	P	....
6	....	P	....
7	....	P	....
8	....	P	....
9	....	P	....
10	....	P	....

Signed under oath by the following:

Signature Msgr. Luciano C. Balagtas	Signature Fr. Angelito S. Santiago

Printed Name of President ____________	Printed Name of Treasurer ____________

Signed this ____ day of ________

Praxis Fides Mutual Benefit Association, Inc.
35 Paseo del Congreso, Catmon, City of Malolos, Bulacan

Praxis Fides 23rd General Assembly
Ika-15 ng Pebrero, 2014/8:00 ng umaga
Bulacan Capitol Gym
Bulacan Capitol Complex, City of Malolos

"Paglilingkod at Katapatan... Susi sa Kaunlaran"
(Tema ng Pagdiriwang)

Mga Dumalo:

A. Board of Trustees:

1. Rev. Fr. Nap Baltazar - Chairman
2. Engr. Rodelio Cristobal – Vice Chairman
3. Rev. Fr. Angelito Santiago - Treasurer
4. Mr. Antonio Juliano - Secretary
5. Ms. Luciana Gonzales - Auditor
6. Ms. Leonora San Juan – Independent Trustee

B. PFO Staff – 22

C. Area Coordinators/Area Representatives

ANG – 5	PAN – 39
BAL - 3	PAOM – 13
BLG – 12	PB – 18
BOC – 24	PFO - 7
BMA – 10	PFO Guest – 1
BUS – 16	SI – 4
CAL – 6	SJDM – 10
CND – 3	SMA – 14
HAG – 5	SMIG – 1
MAL – 26	SRA – 21
MAR – 11	VAL - 6

BOT – 6
PFO STAFF – 22
AREAS - 255
TOTAL: **283**

Katitikan ng Pagpupulong:

I. **Unang Bahagi:** Pagdiriwang ng Banal na Misa sa pangunguna ng Taga Pangulo Rev. Fr. Nap Baltazar ganap na ika 8:55 ng umaga.
Bago simulan ang pagdiriwang ng banal na misa ay nagkaroon muna ng paggagawad ng karangalan para sa dalawang Area Representatives na umabot na sa 75 taong

gulang: AR Fely Gaspar mula sa Malolos Area at AR Melitona de Guzman mula sa Bustos Area.

II. **Ikalawang Bahagi:**

1. Pambungad na Panalangin ni AC Ruperto dela Cruz ganap na ika-9:30 ng umaga.
2. Pambansang Awit sa pagkumpas ni AC Leonora DS San Juan.
3. Bating Pagtanggap mula sa Taga-Pangulo ng PFMBAI Rev. Fr. Nap Baltazar.
4. Kasunod nito ang pagtiyak ng korum para sa mga dumalong kinatawan:
   Actual Voters – 42,694
   With Proxy Votes – 30,012
   Quorum – 21,348
   Physically Present – 263
   By Proxy – 23,512
   Total Attendance: 23,775
5. Pagkatapos nito ay binasa ng Kalihim Antonio F. Juliano ang katitikan noong nakaraang pangkalahatang pulong. Iminungkahi ni AR Severina Santos ng Hagonoy na pagtibayin na ang katitikan sa nakaraang pulong yayamang walang anomang puna o pagtutumpak. Pinangalawahan ni AR Rosario Labitag ng Valenzuela at buong pagkakaisang pinagtibay.
6. Nagkaroon ng pag-uulat ang pangkalahatang Taga-Pamahala GM Gener Luciano batay sa kalagayan ng PFMBAI, Operational Plan 2014 at kasunod nito ay tungkol sa kalagayang pananalapi na iniulat nman ng Tagasuri na si Trustee Luciana Gonzales.(May mga kalakip na pag-uulat)
7. Pagpapatibay ng pangkalahatang kapasiyahn sa lahat ng mga akto at transaksyon na binigyang kapangyarihan ng BOT at ipinatupad naman ng Taga-Pangulo at/o Taga-Pamahala para sa taong 2013.
   Iminungkahi ni AR Liberty Mandia ng Bocaue na pagtibayin ang lahat ng mga akto at transaksyon para sa taong 2013. Pinangalawahan ni Gng. Helen Varilla at pumangatlo si AR Fely Gaspar. Buong pagkakaisang pinagtibay.
8. Ginanap ang halalan at proklamasyon para sa nanalong kandidato:
   Monsignor Luciano Balagtas – 23, 702 boto
   Rev. Fr. Romi Sasi – 1,301 boto
9. Nagkaroon ng malayang talakayan na ang kasagutan ay naipaliwanag ng mga sumusunod: Rev. Fr. Nap Baltazar, Leonora San Juan, Maxima Salhay at Eddie Santos, GM Gener Luciano at CM Juliana Dimaculangan.
10. Itinindig ang kapulungan ganap na ika-1:00 ng hapon sa pagwawakas na panalangin ni Rev. Fr. Nap Baltazar.

Inihanda ni:

Antonio F. Juliano
Kalihim

Pinagtibay:

Rev. Fr. Nap Baltazar
Taga-Pangulo