

# ANNUAL REPORT2024





"ANGELICA LIFE PLAN: ON BECOMING A BETTER CHOICE"

LICENSED AND REGULATED BY:











DEPOSIT OR PAY THRU GCASH

**1** 

LOG ON TO GCASH ACCOUNT

GO TO BILLS AND SEARCH FOR "ORO INTEGRATED COOPERATIVE"

PROVIDE THE INFORMATION ASKED AND SUBMIT.

PLEASE PREPARE:
OIC'S ACCOUNT NUMBER OF THE
ACCOUNT TO BE DEPOSITED/PAID.

## **ONLINE**SERVICES

#### **ONLINE SHOP & GCASH**

- **Membership Application**
- **Savings Deposit**
- **Output** Loans Payment
- **Insurance Application**
- **Express Loan**
- **Debit Transfer**



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#### **CCLPI Plans: A Story of Growth and Service**

In the last eight years, Cosmopolitan Climbs Life Plan Incorporated (CCLPI Plans) has grown by anticipating and meeting the needs of the preneed and death care industry. Our memorial service benefits—24/7 claims hotline, body retrieval, embalming and casketing, viewing, and interment—reflect our deep understanding of the needs of the Filipinos across the country, particularly in times of loss and bereavement.

Looking back at our humble beginnings, CCLPI Plans was born from a vision—to provide meaningful and accessible memorial service coverage to Filipinos. Founded on December 7, 2016, in Cagayan de Oro City, the company has now expanded its network, reaching national coverage and operating in key cities in the Philippines. Its area offices are located in Quezon City, Gumaca, Quezon Province, Bacolod City, Cebu City, General Santos City, and Davao City.

In 2024, our total number of accredited service providers reached four hundred thirty- five, significantly present in all key cities in the country. With approximately fifty thousand policyholders to date, the company has been pivotal in increasing public trust and confidence in preneed and preplanning services.

CCLPI Plans envisions being at the forefront of providing inclusive, highly innovative, consistently accessible, and affordable life plan options for every Filipino. We are committed to vigorously educating our clients about the various processes and options available to them, so they can make informed decisions regarding final arrangements for themselves and their loved ones.

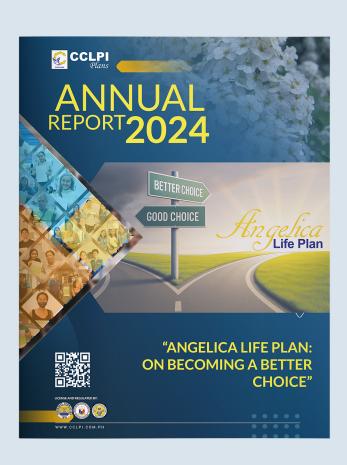
To us, service is more than meeting the needs of our plan holders. It is delivering what was promised to them from the time they signed up for the plan, up to the very time they are laid to rest with dignity and assurance.





## About the Theme

(Rationale of the Theme and Official Collateral Depiction)



#### The 8th Annual Stockholder's Meeting Theme:

### "ANGELICA LIFE PLAN: On Becoming A Better Choice"

#### **About the Theme**

As we move forward towards growth, CCLPI Plans is geared to become the better choice by highlighting progress and innovation, as well as giving emphasis on the impacts of Angelica Life Plan to the lives of its plan holders. This year's theme reflects the commitment to providing superior service, reliability, and peace of mind for families and the community. By continuously improving and adapting to the needs of our clients, we strive to be the preferred life plan provider—offering security, trust and a future well-planned.

CCLPI Plans will continue to cultivate positive relationships, build stronger connections, and effectively communicate the best possible solution to insure and secure the lives of its plan holders. Becoming the better choice plays an integral part of the company's success by consistently offering trustworthy options to communities across the country.



#### Message from the President of the Philippines



#### MESSAGE

In times when financial security and stability are paramount, the Cosmopolitan Climbs Life Plan Incorporated (CCLPI Plans) has been a reliable partner of families by providing them with the necessary support and means to address unexpected circumstances. Since your establishment in 2016, you have been an epitome of service and trustworthiness, protecting your clients' interests through smart asset management and investments. By ensuring them a well-planned future, you have empowered your policyholders to become forward-looking as well as be more equipped, resilient, and capable to face what lies ahead.

As you gather for your 8th Annual Stockholders Meeting, may you remain in your position as the preferred life plan provider of individuals and enterprises—reciprocating their confidence with excellent and responsible management. Let your achievement serve both as a reminder of your hard work and commitment to secure your client's needs. I trust that you will also remain a strong partner of businesses and entrepreneurs so they may have the resources to prosper and succeed. With your dynamism, commitment, and stability, our people's security and our country's economic growth are well within reach.

Together let us build a Bagong Pilipinas that is ready to embrace a prosperous, thriving, and brighter future ahead.

I wish you a successful gathering.

MANILA 8 July 2025



## Message from the Commissioner of the Insurance Commission



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue, Manila



Cosmopolitan CLIMBS Life Plan, Inc. (CCLPI) 8<sup>th</sup> Annual Stockholders Meeting "ANGELICA LIFE PLAN: On Becoming a Better Choice"

#### **MESSAGE**

I am pleased to congratulate the Cosmopolitan CLIMBS Life Plan, Inc. (CCLPI) on the successful occasion of its 8th Annual Stakeholders' Meeting. This year's theme—"ANGELICA LIFE PLAN: On Becoming a Better Choice"—underscores your dedication to continuous improvement and providing your clients with the best life plan options.

CCLPI stands as a testament to the power of synergy, born from the fruitful partnership between CLIMBS Life and General Insurance Cooperative and Cosmopolitan Funeral Homes, Inc. This collaboration exemplifies how unity and cooperation can lead to meaningful and positive outcomes.

By continuously adapting to the evolving needs of the public, CCLPI aspires to be one of the most trusted life plan providers. CCLPI offers security and peace of mind, ensuring that the planholders are well-protected and cared for. This reflects your unwavering commitment to delivering quality service, reliability, and trust.

As we move forward, it is my hope that CCLPI will continue to foster positive relationships, strengthen connections, and communicate effectively to deliver the best solutions for its planholders. May your collective efforts lead to greater success, serving the community and our country with integrity and dedication.

Congratulations to CCLPI!





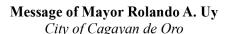
#### Message from the City Mayor of Cagayan de Oro City



#### Republic of the Philippines City of Cagayan de Oro

#### OFFICE OF THE CITY MAYOR







Warmest greetings to the entire team of Cosmopolitan Climbs Life Plan Inc., stockholders, cooperative partners, and guests on the occasion of your Annual Report Program for 2024, anchored on the meaningful theme, "ANGELICA LIFE PLAN: On Becoming a Better Choice."

Your steadfast dedication to providing quality services and peace of mind to Filipino families stands as a pillar of compassion and reliability in our society. In times when families are most vulnerable, your services bring not only comfort, but also dignity and assurance-

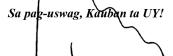
values that resonate deeply with the kind of community we aspire to build in Cagayan de Oro.

This year's theme reflects your continued evolution—not just as a company, but as a trusted partner in life's most profound moments. "On Becoming a Better Choice" is more than a goal; it is a commitment to excellence, empathy, and innovation. Your focus on becoming better is an inspiration, reminding us that progress is rooted in purpose.

As local government leaders, we recognize the indispensable role of organizations like yours in uplifting lives. Public-private collaboration is essential in driving sustainable development. When businesses prioritize service and integrity—as you have consistently done—we move forward together, creating a city that is not only prosperous but also compassionate and prepared.

I encourage you to continue pursuing excellence, growing in trust and impact. Let your journey be guided by your commitment to serve, and may your example inspire others in the private sector to build not only successful enterprises but meaningful legacies.

On be half of the City Government of Cagayan de Oro, I thank you for your continued service and congratulate you on another year of dedicated work. May Cosmopolitan Climbs Life Plan Inc. continue to be a better choice—for families, for communities, and for the future.



City Mayor Cagayan de Oro City

ROLANDO





## Message from the CLIMBS President & CEO





## CLIMBS LIFE AND GENERAL INSURANCE COOPERATIVE A Climate Insurance: Insuring where you are!

Message from the President & CEO of CLIMBS

To the esteemed Board of Directors, officers, employees, stockholders, partners, and valued stakeholders of Cosmopolitan CLIMBS Life Plan Inc. (CCLPI):

On behalf of CLIMBS, I extend my heartfelt congratulations as you gather for your 8th Annual Stockholders Meeting, united under the compelling theme: "Angelica Life Plan: On Becoming a Better Choice."

This milestone is a testament to the unwavering commitment of CCLPI to build not only a sustainable business, but a life-affirming mission that touches the very heart of every Filipino family you serve.

The theme this year reflects a journey — one of transformation, continuous improvement, and purposeful innovation. "On becoming a better choice" is not a destination, but a bold and enduring pursuit. It signals your readiness to evolve, adapt, and lead in a rapidly changing world, while staying anchored in your core values of service, reliability, and trust.

Angelica Life Plan has become more than just a product — it is a promise. A promise to deliver security in times of uncertainty, to bring peace of mind in moments of loss, and to offer hope for a better tomorrow. As you highlight the progress and innovation you've achieved, you also highlight the real impact you've made in the lives of your plan holders and their families — an impact that is deeply aligned with the cooperative philosophy of **people helping people**.

Together, as part of one cooperative family, let us continue to work hand in hand — building legacies, honoring lives, and becoming not just a better choice, but the best partner for every Filipino's journey through life.

Congratulations once again to the entire CCLPI team. Mabuhay ang Angelica Life Plan. Mabuhay ang CCLPI!

Respectfully, Noel D. Rabby President & CEO

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facebook.com/CLIMBSOfficial

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#### Chairman's 2024 Statement 8th Annual Stockholders' Meeting

Dear Stakeholders, Clients, Partners, and Employees,

As we present this year's Annual Report, it is with great pride and gratitude that I reflect on ANGELICA LIFE PLAN's continued journey of growth, resilience, and purpose. As we continue to move forward in our mission, "On Becoming a Better Choice" serves as both our guiding principle and a reflection of our unwavering commitment to those we serve.

Over the past year, we have remained steadfast in facing challenges and pursuing opportunities, always guided by our core values of integrity, compassion, and excellence.

As Chairman, I am proud of the strides we have made in strengthening our organization — from enhancing our services and expanding our product offerings all over the Philippines, to investing in technology and, most importantly, empowering our people. These efforts are all directed toward a single goal: to ensure that when families make the important choice of who to trust for their future, ANGELICA LIFE PLAN stands as the clear and better choice.

Our journey of becoming a better choice is ongoing. We will continue to listen, to adapt, and to lead with integrity and heart - upholding the values that have always defined us.

On behalf of the entire Board and Management, I extend my deepest gratitude to our clients, partners, and dedicated employees. Your continued trust and support inspire us to serve with even greater excellence.

Together, we will build a stronger, more compassionate ANGELICA LIFE PLAN— for today, for tomorrow, and for generations to come.

With deep appreciation,



Renato S. Dychangco, Jr. Chairman of the Board



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#### President and CEO's Message 8th Annual Stockholders' Meeting

Dear Stockholders, Partners, and Planholders,

As we mark the 8th Annual Stockholders' Meeting of CCLPI Plans, we are reminded of how far we've come and the direction we continue to pursue. This year's theme, "Angelica Life Plan: On Becoming a Better Choice," reflects our ongoing commitment to growth—not only in numbers but in the quality of service we provide. Becoming a better choice does not happen overnight. It is shaped by consistent effort, careful improvement, and a clear focus on what matters most: the people we serve and the promises we honor.

In 2024, CCLPI Plans has reached key milestones that reflected both operational growth and strengthened public trust. Our network of accredited mortuaries and service providers grew significantly to over 400 nationwide, improving service accessibility across the country. We also implemented the first phase of our digital upgrade, featuring a centralized client database and an improved planholder verification system—both of which streamlined benefit claims and account servicing. Planholder engagement increased as well, with a 28% rise in active planholders and a 32% growth in total plan sales compared to 2023. These achievements were driven by expanded marketing efforts, enhanced agent training, and a more responsive after-sales program.

In 2024, we remained fully compliant with all regulatory requirements receiving positive evaluation results, reflecting our continued commitment to responsible management and transparency. We also strengthened key internal processes to ensure accuracy, consistency, and effective oversight across all areas of the organization.

In addition to regulatory compliance and business growth, we placed strong emphasis on developing our people. Investing in their professional growth is essential to delivering quality service and maintaining the trust of our clients. Introduced targeted training programs to enhance staff capabilities and reinforce a deeper understanding of our role as a pre-need provider.

Angelica Life Plan remains our flagship, designed with the Filipinos in mind. In an industry that demands consistency and compassion, we remain focused on delivering both. As we look forward, we are preparing to roll out mobile-access client features, widen our provincial presence, and explore new product variations to meet changing customer needs.

To our valued stockholders, board of directors, partners, employees, and most especially, our plan holders -- thank you for your continued trust and support. Your confidence in our mission has been instrumental in driving our growth and strengthening our commitment to service. As we move forward, we remain dedicated to enhancing our systems, upholding the highest standards of service, and making forward-thinking decisions. Together, let us continue shaping Angelica Life Plan into the leading choice in memorial planning.



Mansueto V Dela Peña President & CEO

#### The Company Highlights

#### Fueling Growth Through Recognition: A Vietnam Experience for Top Sales **Performers**

By Christine O. Mercado

At the heart of sustained business growth lies a motivated and high-performing team. In 2024, CCLPI deepened its commitment to recognizing excellence through a strategic incentive travel program that rewarded the top sales performers with an unforgettable experience in Vietnam.

This initiative was more than just a reward; it was a deliberate investment in performance culture, sales team engagement, and long-term retention. By celebrating the achievements of our leading sales force with a curated journey through one of Southeast Asia's most dynamic destinations, CCLPI reinforced its core values of excellence, appreciation, and ambition.

#### Anchored in Faith: A Sales Counselor's Story of Purpose and Perseverance

Ms. Gina A. Aleman, a dedicated Sales Counselor, shared her inspiring journey to qualifying for the Vietnam travel incentive with Angelica Life Plan. Guided by her faith in Jehovah God and a heartfelt desire to help families through Angelica Life Plan, she considered the travel incentive a meaningful bonus. Despite personal challenges, including her aunt's hospitalization and undergoing an appendectomy, she remained focused through constant prayer and support from the company's training, leadership motivation, promotional materials, and agency incentives. Her success was rooted in empathy, emphasizing preparedness for life's uncertainties and the benefits Angelica offers to plan holders and their beneficiaries. Her consistency



stemmed from a genuine commitment to helping others while strictly adhering to company protocols. The Vietnam trip, she shared, was life-changing as it was her first international experience, marked by safe flights, world-class hotel accommodations, engaging tours, and unforgettable experiences, such as the cable car ride and sampling local cuisine. The recognition she received as a double qualifier deeply affirmed her efforts. Moving forward, she remains motivated to keep sharing Angelica's mission and encourages fellow SCs to stay focused and put God's will first. She emphasized how CCLPI's incentive drive not only boosts morale but also provides life-changing opportunities, proving that the company truly values and rewards dedication.

#### Chasing Dreams, Achieving Goals: A Unit Manager's Pursuit of Focus and Fulfillment



As one of the top-performing qualifiers, Unit Manager Ric Q. Galido shared that his primary motivation was the opportunity to experience international travel and immerse himself in a new culture. Despite facing challenges in sales and recruitment, Mr. Galido overcame them through focus, determination, and the support of his Division Head's training, the Davao staff, and his dedicated sales team. Throughout the qualification period, he maintained consistency by regularly monitoring his team through online consultations and focusing heavily on recruitment, knowing that serving more people equates to more sales. The Vietnam trip was a fulfilling reward, highlighted by delicious local cuisine, breathtaking views of Bana Hills, and

a scenic bamboo boat ride. He described the experience as "101% amazing," expressing deep appreciation for the company's warm hospitality. The trip boosted his self-esteem and motivated him to aim for next year's incentive trip to Thailand. For fellow agents aspiring to gualify, Mr. Galido advises staying focused, loving the work, and keeping clear goals. He believes such incentives reflect a culture of teamwork and significantly boost morale, showing sales people that their efforts are truly recognized and valued.

#### Leading by Example: An Agency Manager's Journey of Grit and Growth

George Samuel L. Sison, Agency Manager of CGPAI Davao, offers a compelling account of leadership, perseverance, and inspiration as one of the qualifiers for the Vietnam travel incentive. For him, the goal was never just the trip: it was about showing his team that success is built on discipline, resilience, and leading by example. "Real self-belief come from scars, sweat, and gained capacity", he shared, emphasizing that motivation becomes more powerful when it is backed by action and integrity.



The biggest challenge he faced was one familiar to many leaders: getting people to move, even when they don't feel like it. But through strong fundamentals in training, motivation, and sales management, he overcame those barriers. He leaned heavily on strategic tools: prospecting, recruitment, selling, closing, and above all, positive attitude and motivation to stay ahead. Also, company support through marketing exposure, logistics, and backroom assistance further empowered his team.

Key to his work strategy was consistent training on the basics, enhanced by regular planning, performance reviews, and spaced repetitions of goals. He

emphasized the importance of keeping the momentum alive through frequent team check-ins, sales meetings, and recognition events.

When the time came to enjoy the fruits of his labor, Vietnam did not disappoint. The Gala Night stood out as a moment of recognition and pride where he suggested adding a brief opportunity for top performers to share their journey. From luxurious accommodations to the awe-inspiring views of Bana Hills, the Golden Bridge, and the cable car ride, the experience exceeded expectations, even topping his recent trip to Singapore. He praised the company's thoughtful organization and warm generosity, saying, "We feel blessed to work with a company like CCLPI".

The trip left a lasting impact on Mr. Sison's drive. It renewed his commitment to always strive for the better, living by the sales manta: you're only as good as your last performance. His advice to aspiring qualifiers is practical and powerful: set clear goals, break them down into manageable steps, keep them visible, sharpen your skills, monitor your progress, and never forget to pray.

For him, this travel incentive is a reflection of a company that values strength, dedication, and unity. When done wisely, he believes such rewards can significantly uplift morale and activate what he calls "incentive motivation," which is a critical driving force that powers sustainable performance.

In essence, the Vietnam inceptive trip by CCLPI Plans went beyond recognizing exceptional performance; it strengthened team unity, offered rich cultural experiences, and reignited the drive to surpass future goals. As we move forward, initiatives like this remain vital for fueling sales momentum and aligning our people strategy with the company's long-term vision for growth and excellence.



#### **Our Commitment to Growth: Performance Report 2024** By Dianne M. Adlaon

#### **Growth Drivers in Death Care Industry**

The growth in the death care industry is fueled by external and internal factors. External factors are aging population, robust economy, increase in disposable income, population growth, and death rate increment. Internal factors are strategic vision, marketing plan and, branding product service, financial performance, human capital, and customer base. The high cost of inflation affects the traditional Filipino customs of interment; thus, many have opted for cremation. Funeral and wake services have increased by around 10%. (According to Isaias Lagsa Borres, I.L. (2020). Growth Drivers in Selected. Death Care Businesses in the Philippines. European Business & Management.)

With the data above, CCLPI Plans ensures that the company is ready to take action and delve into what is currently happening in the preneed industry. Though the industry continues to deal with the lingering crisis of confidence caused by a few companies facing liquidity problems and failing to service the maturing plans of their clients, CCLPI Plans, with its commitment to perform and carry out its vision of service to its plan holders, persists in its journey toward becoming the better choice.

#### On Becoming A Better Choice

In 2024, we closed the year with a total collected premium of 180,131,857 with New First Year Premium Sales of 75,072,050 and a Recurring Premium of 105,059,807.

Despite the stiff competition among preneed companies, we sold a total of 4,627 number of policies for the year 2024, with 658 total number of Sales Counselor Recruited and a total of 267 number of Plan Holder Serviced.

In summary, for the year 2024, a total of 13,951,000 total amount of Memorial Service Benefit Rendered.



The robust numbers reflect our testament and commitment to growth. These also point to something remarkable—CCLPI Plans has become a preferred choice for Filipinos seeking reliable preneed services.

With flexible options and pre-arranged planning, Filipinos now have access to dependable and affordable memorial service benefits.

CCLPI Plans continue to cultivate a culture of strong connections by offering relevant and trustworthy life plan solutions for their families and communities.

#### **Memorial Service Benefits**

- 24/7 claims hotline availability
- Body retrieval services
- · Embalming and professional cosmetological care
- · Casket based on option chosen
- · Viewing equipment & paraphernalia
- · Appropriate hearse going to the interment site

#### Value-Added Insurance Benefits

- Covers 18 to 65 years old (insurable age) or within the 10-year period of the plan.
- One-vear contestability period.
- Life insurance.
- · Credit life insurance.
- · Accidental death benefit.
- · Waiver of installments due to permanent disability caused by an accident.

#### **ANGELICA LIFE PLAN: REAL STORIES**

Since its inception in 2016, Angelica Life Plan became CCLPI's flagship program to permeate into the lives of all its plan holders. Angelica Life Plan stands as a beacon of strength, determination, and dignity to families and the community—that even in death, one can still be dignified and cared for through reputable and trustworthy afterlife services.

Angelica Life Plan: Real Stories is a compilation of testimonies and commentaries to depict the impacts of the program to the lives of its plan holders.



#### "Malaking bagay ang life plan na 'to in terms of convenience and financial support."

"My mother passed away in July 2024 due to cancer. It was a very painful experience for our family, and until now, we are still in the process of embracing the reality that she is no longer here. Si nanay mismo ang kumuha ng sarili niyang life plan higit 5 taon na ang nakalipas.

Nang dumating ang araw ng kanyang pagkawala, naging mabilis ang pagproseso ng kanyang burol hanggang sa libing dahil sa nasabing plan. After ng libing, we were contacted and assisted by CCLPI Claims with the needed documents and requirements for the insurance benefit that comes with Nanay's life plan package.

We didn't expect na may makukuha pa pala kaming insurance -almost the same amount sa ibinayad for the plan itself dahil akala namin ay services lang ang inclusion ng Angelica Life Plan, especially since hindi naman ganun kamahal ang premium.

It only took two weeks after submission of the requirements para makuha namin ang insurance. Our family is truly grateful that CCLPI has this kind of life plan."

- Trisha May Ara Anareta-Cajipe Daughter of the late Sally M. Anareta I Laguna





#### "All in all, I have nothing [bad] to say about the service-everything was okay."

"I can sincerely say, the service at CCLPI was okay—the staff were approachable and easy to reach. The casket also fit my partner well. Over all, I have nothing [bad] to say about the service."

- Ms. Chanda G. Delos Reyes

Partner of the Late Mr. Julius P. Flores | Carcar



#### "Angelica Life Plan is no joke-their service is real, sincere, and truly dependable."

I would like to share my heartfelt experience with the Angelica Life Plan, which I availed back in 2018. When my husband passed away, I immediately contacted CCLPI. From the moment I called their hotline, I was deeply impressed because they answered right away, even late at night, and their staff assisted us promptly and with genuine care. Their 24/7 service was truly reliable, and I felt supported during one of the most difficult times of my life. I can sincerely say, "Dili gyud kamahayan nga nakakuha kog Angelica Life Plan sa CCLPI kay tinuod gyud ilahang serbisyo."

My experience during the memorial service was very good. The environment was clean, there was a proper parking space, and the makeup and presentation were very well done. Everything was handled with care. During the service, some of my cousins asked me, "Unsa ni nga klase nga service? Unsa nga lungon? kay daghan niangay."

When my husband was hospitalized, the expenses were high, and one of our acquaintances even told me to prepare more money for the funeral. But I told them confidently, "Wala nakoy problema ana kay gikuhaan na nako siya ug Angelica Life Plan sa CCLPI" Even though we were in mourning, I felt some relief and comfort because of the excellent service provided by the Angelica Life Plan. "Kung dili pangandaman, musamot gyud ang konsimisyon."

"Ang Angelica Life Plan, dili gyud ga joke joke sa ilahang serbisyo." Together with their funeral partners, especially Cosmopolitan Funeral Homes in CDO, they provided us with genuine, heartfelt assistance. This is something I truly experienced, and I can honestly say it was very good from the bottom of my heart.

After my husband was laid to rest, some of our friends and acquaintances even asked for application forms for the Angelica Life Plan, and I gladly gave them. During the wake, I brought application forms with me because I wanted others to also be prepared and experience what I experienced. Even in the midst of life's challenges, good things still happen.

Thank you, CCLPI. Thank you, Angelica Life Plan.

#### Mrs. Perla Tolinero

Wife of the Late Mr. Recto Tolinero | Cagayan de Oro City



#### Synergizing Cooperatives Into A Movement

By Dianne M. Adlaon

Cooperatives have long been celebrated as powerful vehicles for change, economic inclusion, social equity, and sustainable development. Since then, the contribution of cooperatives into the community cannot be undermined.

CCLPI, envisions a network in which cooperative agencies are integrated into a unified system that delivers equitable memorial service benefits to all its members through a mutual benefit initiative called the Members Benefit Program.

From 2018 up to present, a total of one hundred seven cooperatives all over the Philippines signed up as part of the network. Such network presents a powerful strategy for strengthening members' trust and confidence in the movement as they are provided with choices of mutual and beneficial interest through the Members Benefit Program.

TOTAL	107 Cooperative
MINDANAO	46 Cooperatives
VISAYAS	40 Cooperatives
LUZON	21 Cooperatives

#### The Framework

In the context of cooperatives, members connect with one another forming a network of relationships. The design is to deliver and implement the Angelica Life Plan Members Benefit Program in each cooperative as part of their services extended to their members. Some cooperatives have opened a Loan Window offering flexible terms of payments.

#### Pioneering Cooperatives

Below are the pioneering cooperatives that have implemented the Angelica Life Plan Members Benefit Program.

#### **LUZON**

































#### **VISAYAS**









































































#### **MINDANAO**























































































## Environmental Program 2024

#### CCLPI Plans Joins Earth Day 2024: Planet vs. Plastics

In celebration of Earth Day 2024, CCLPI Plans, through its flagship product Angelica Life Plan, proudly took part in the global environmental movement held on April 20, 2024. Under this year's powerful theme—"Planet vs. Plastics"—we joined hands with communities, volunteers, and partner organizations to raise awareness and take action against plastic pollution.

The event highlighted the importance of reducing single-use plastics, encouraging eco-conscious habits, and promoting sustainability in our everyday lives. Our team participated in cleanup drive efforts aimed at restoring the balance between human progress and nature's preservation.

At CCLPI Plans, we believe that caring for the planet goes hand-n-hand with caring for life. Just as Angelica Life Plan offers families the gift of peace and preparedness, we also commit to protecting the environment for future generations.



#### **Shareholders Profile**



CLIMBS Life and General Insurance Cooperative



Cosmopolitan Funeral Homes Inc.



**Oro Integrated Cooperative** 



Perpetual Help Community
Cooperative



**Toril Community Cooperative** 



**ACDI Multipurpose Cooperative** 



**Cebu International Finance Corporation** 



San Fernando Funerals



Sta. Lucia Realty & Development, Inc.



Bohol Diocesan Multi-Purpose Cooperative



Guadalupe Community Multi-Purpose
Cooperative



Metro Ormoc Community Multi-Purpose Coopeative(OCCCI)



Aurora Integrated Multi-Purpose Cooperative



**Income Credit Cooperative** 



Sta. Catalina Credit Cooperative



**Tan Hassani & Counsels Law Offices** 

#### The Governance Structure

**Board of Directors & Officers** 



Chairman of the Board
Renato S.

Dychangco, Jr.

Cosmopolitan Funeral Homes Inc.



Vice-Chairperson(Corp)

Exequiel D.

Robles

Sta. Lucia Realty and Development Inc.



Treasurer / Director
Alvin Y.
Tan Unjo
Cebu International Finance Corporation(CIFC)



Atty. Kerwin K.

Tan

Tan Hassani & Counsels



Ferdinand Matthew D.

Reyes
Fernando B. Reyes Enterprises Inc.



Independent Director Augustus J.V. Ferreria



Corporate Board Secretary
Atty. Daniel O.
Evangelio, Jr.



Vice-Chairperson(Coop)
MGen. Gilbert S.
Llanto
ACDI Multipurpose Cooperative



Pr. Elmo P.

Manching

CLIMBS Life and General Insurance
Cooperative



Asst. Treasurer / Director Floriano R. Hilot
Oro Integrated Cooperative(OIC)



Engr. Ronald G.
Chan
Income Credit Cooperative



Leovigildo A.
Elmaco
Perpetual Help Community Cooperative
Dumaguete(PHCCI)



Independent Director
Atty. Antonio Manuel
A. Alcantara



Chief Executive Officer Mansueto V.
Dela Peña

## The Management Team

#### **Management Committee**



Mansueto V. Dela Peña President & CEO



**Severino B. Pedroza, Jr.**Chief Finance Officer



Katrina Amor D. Corpuz
Distribution Manager-Luzon



Revecita P. Salarda
Distribution Manager VisMin



Junmar N. Verdejo, CPA Compliance Officer

#### **Head Office**



#### **HRAD Department**



- Hervie Ivy O. Saquilayan Jeanlou O. Apdian **HRAD Officer**
- · Rona Mae E. Paculba HR Assistant
- Virgin Mary S. Roxas HR Associate
- Shane Ezra G. Enguito Management Trainee
- · Ronald G. Tagarda Messenger
- Admin Officer
- · Oasha T. Okit **Executive Secretary**
- Rolly C. Parreño Admin Clerk
- Fritz Emerson C. Cuenca Management Trainee
- · Jonalie P. Macha **Company Driver**

#### Accounting Department



- · Loida F. Salvaña Accounting Manager
- · Arcelie D. Aba Accounts Specialist-A/P
- · Rhon Dell M. Mañas Reconciler
- · Leizel G. Babia Accounts Specialist-A/R
- Rubelyn Madelo Accounting Clerk

#### Finance Department



- Severino B. Pedroza Jr. Chief Finance Officer (CFO)
- **Finance Assistant**
- · Genevieve R. Tagaylo Finance Officer
- Ma. Kayle Jana O. Paclijan Chariss M. Sapilan Cashier

#### **Billing and Collection Department**



- Dolly Jane A. Kilat **Billing & Collection Officer**
- Mylene T. Padillo Billing & Collection Clerk II
- Eva M. Edpalina Billing & Collection Clerk I
- · Fritzi Erica S. Trinidad Billing & Collection Associate

#### **Claims Department**



- Jazcyl M. Periodico Claims Officer
- Maria Christina M. Cuerpo Encoder
- Bea M. Nalugon Claims Assistant

#### IT Department



- · Romeo U. Odarve Jr. IT Manager
- · Alvin J. Damasco Web-Admin / Layout Artist
- Gio A. Perez Jr Programmer

#### Sales and Marketing



- · Revecita P. Salarda Distribution Manager VisMin
- · Elina R. Barrera Mindanao Sales Mngr. for Hybrid & Training Officer
- Gernie B. Magnanao **Marketing Assistant**
- · Diana L. Boborol Marketing Support Assistant
- · Candy Cleo R. Merenillo Cashier/Sales Associate-Hybrid

#### Luzon Area



- Katrina Amor D. Corpuz Distribution Manager - Luzon
- Dianne M. Adlaon
- Sales Officer Luzon
- Rea M. Cuevas
- Area Billing & Collection Associate
- · Jhane S. Saporna Area Cashier - Gumaca
- Melria R. Cupit Area Cashier - Batangas
- · Vida Marie V. Generao National Sales Manager for Hybrid
- Miriam B. Arandela Sales Officer-Gumaca
- Kim M. Padilla Admin Assistant
- · Patricia Gail S. Sibug Area Cashier - Calapan
- Fidel O. Escoriaga Company Driver - Luzon

#### Visayas Area



- · Aljun R. Arpilleda Area Marketing Manager - Visayas
- Anna Krystelle Calapate Sales Coordinator - Iloilo
- Maricel N. Bader Area Cashier - Cebu
- Sharine Mae G. Tosing Area Cashier - Iloilo
- · Glenda Marie B. Horstman Sales Officer-Region 6
- Junbert Enjambre Admin Assistant - Cebu
- · Arianne Christine C. Yaranon Area Cashier - Antique

#### Mindanao Area



- Christine O. Mercado Area Marketing Manager-Mindanao Regional Sales Manager - Davao
- Crislie R. Bulawan Sales Officer-Region 13
- Jiger J. Madarimot Sales Coordinator - Mis Occ
- Abbegail B. Gatbunton Area Cashier - Region 11
- Christine P. Bangcong Area Cashier - Region 13
- Salve Amor S. Sudario
- Maria Rowena G. Bañas Sales Coordinator - San France
- · Julei Mae Z. Pamintuan Sales Coordinator - Region 12
- · Angeline T. Emit Area Cashier - Gensan

## Our Sales Partners

**Agencies & General Agencies** 



#### **General Agencies**

- 1. Cosmopolitan General Pre-Need Agency Inc.
- 2. CLIFSA General Agency
- 3. OIC Preneed General Agency Inc
- 4. S.F San Fernando Cares, Inc.

#### **Agencies**

- 1. OIC Preneed General Agency Inc.
- 2. Cosmo Sales Davao
- 3. Cosmo Sales Cebu
- 4. Cattleya Gardens and Memorial Park Inc.
- 5. S.F San Fernando Cares, Inc.
- 6. Cosmo Sales Iligan
- 7. Cosmo Sales CDO
- 8. Agusan Del Norte Teachers Retirees & Employees Community Cooperative
- 9. S.F San Fernando Cares, Inc. Tungko (Paterno Salajendo)
- 10. Diamond Agency
- 11. Paglaum Multi-Purpose Cooperative
- 12. St. Jhudiel Kadamay Memorial Services
- 13. Haven of Rest Memorial Park (HRMP)
- 14. Cosmo Sales Araneta
- 15. Cosmo Sales SF Tandang Sora
- 16. Zamboanga City Governtment Employees MPC
- 17. Memorial Service Cooperative Federation
- 18. CLIFSA Agency (Main)
- 19. Genesiss RJH Life Insurance Services
- 20. Valenzuela Development Cooperative
- 21. Cosmo Sales SF Pasig
- 22. CLIFSA Agency (RRA-Rowena Abella)
- 23. Fullshield International Insurance Services
- 24. One Karaga Community Multipurpose Cooperative

- 25. Genesiss Life Insurance Services
- 26. Hilcare Life Insurance Services
- 27. Bernales Agency
- 28. REALCARE MANAGEMENT CONSULTANCY SERVICES
- 29. Smartlife Insurance Agency
- 30. CLIFSA Agency (VISAYAS)
- 31. Mactan Island Multi-Purpose Cooperative
- 32. E.Y. TEVES ETERNA FUNERAL CHAPELS
- 33. Dollete Funeral Homes
- 34. Express Care Insurance Agency
- 35. Cosmo Sales Araneta
- 36. AMPAYON MULTI-PURPOSE COOPERATIVE
- 37. CLIFSA Agency (Tagum)
- 38. Cosmo Sales Araneta
- 39. Cosmo Sales LapuLapu (Jesus G. Esma Jr)
- 40. Villa-Babas Funeral Home
- 41. ACDI Multi-Purpose Cooperative(Main)
- 42. Bukluran Multi-Purpose Cooperative
- 43. RRA Insurance Agency
- 44. CLIFSA (Nilo Redulla)
- 45. Kelp Financial Life Insurance Services

Disclaimer: Data pertains to 2024 and may be updated based on future records or audits.

# HIGHLIGHTS OF THE 7TH ANNUAL STOCKHOLDERS' MEETING





1

#### Cosmopolitan CLIMBS Life Plan Inc.

4/f CLIMBS Bldg Tiano-Pacana Sts., Cagayan de Oro City, Philippines 9000 Tel. No: (088) 880-1574, Hotline No: 0998 953 4937. Email add: cclpi.preneed@gmail.com, Website: www.cclpi.com.ph

MINUTES OF THE  $7^{\text{TH}}$  ANNUAL STOCKHOLDERS MEETING OF COSMOPOLITAN CLIMBS LIFE PLAN INC. HELD ON AUGUST 9, 2024 AT THE SINAMAY 1 & 2, SEDA CENTRIO 2 3 HOTEL, CAGAYAN DE ORO CITY 4 5 Present: 6 Mr. Renato "Oly" Dychangco Jr. - Chairman 7 Atty. Antonio Manuel S. Alcantara - Vice Chairman 8 Mr. Alvin Yap Tan Unjo - Director 9 Mr. Augustus J.V. Ferreria - Independent Director 10 Mr. Floriano R. Hilot - Independent Director Atty. Kerwin K. Tan - Director 11 Atty. Daniel O. Evangelio, Jr. 12 - Director 13 Mr. Exequiel D. Robles - Director 14 Fr. Elmo Manching - Director 15 Engr. Ronald Chan - Director 16 MGEN. Gilbert S. Llanto - Director 17 Atty. Isidro Q. Lico - Corporate Secretary - President and Chief Executive Officer Mr. Mansueto V. Dela Peña 18 19 Also Present: 20 Ms. Ana Mariae Michelle D. Quilab - Senior Audit Manager (Quilab & Garsuta) 21 Mr. Cliffordson T. Lariosa - PHCCI 22 Mr. Leovigildo Elmaco - PHCCI 23 24 Ms. Maria Fe A. Pineda - Sta. Catalina Credit Cooperative 25 Ms. Chona S. Gomez - Sta. Catalina Credit Cooperative Ms. Faith T. Masanegra - AIMCOOP 26 Mr. Pacienciano Tomarong - AIMCOOP 27 Mr. Cecile Jay Masanegra - AIMCOOP 28 Ms. Mary Grace Bulaclac - AIMCOOP 29 30 Ms. Aimee Andales - AIMCOOP Mr. Arnold L. Arsolon - INCOME Credit Cooperative 31 Ms. Claire R. Perges Bohol Diocesan MPC 32 Ms. Debra May C. Borja Bohol Diocesan MPC 33 - Cosmopolitan Funeral Homes, Inc. Mr. Thamas Ray Sorronda 34 - OIC Preneed General Agency Mr. Raul Pregon 35 Ms. Famela Octat - OIC Preneed General Agency 36 - CLIFSA Ms. Ma. Junessah Conde 37 - Chief Finance Officer 38 Mr. Severino B. Pedroza Jr. - Business Development Manager, VISMIN Ms. Revecita P. Salarda 39 - Mrktg. Communications & Training Officer Ms. Dianne M. Adlaon 40 - Compliance Officer Mr. Junmar N. Verdejo 41 - Accountant Ms. Loida Salvana 42 - IT Manager Mr. Romeo U. Odarve Jr. 43 - Area Marketing Manager, Mindanao Ms. Christine P. Olalo 44 - HR Officer Ms. Hervie Ivy O. Saquilayan 45 - Finance Officer Ms. Genevieve R. Tagaylo 46 - Claims Officer Ms. Jazcyl M. Periodico 47 - Web Admin Mr. Alvin Damasco 48 - IT Programmer Mr. Gio Perez 49 - Admin Officer Ms. Jeanlou O. Apdian 50 - Accounting Staff Ms. Leizel G. Babia 51 - Billing and Collection Officer Ms. Dolly Jane B. Argabio 52 53 **PRELIMINARIES** 54 55 56

The meeting began with the invocation, followed by the singing of the Philippine National Anthem.

olders Meeting was called to order at 10:40 A.M. by the Chairman of the Board and
to S. Dychangeo, Jr.
o S. Dychangco, Jr.
FICE
TICE
e stating the details of time, date, manner and agenda of the Assembly was presented
Secretary Atty. Isidro Q. Lico.
OF OUR DUM
OF QUORUM
nted the total number of stockholders and the required percentage of quorum a
PLANS By Laws Section 5 that states, "A quorum of the shareholders will consist
or representing (by proxy or corporate representative) at least eighty (80%) of the
ck of common shares."
ply that a 100% percentage of attendance is achieved. Thus, a quorum is attained.
AGENDA
contract of the second
found in the Notice of the 7th Annual Stockholders Meeting as follows;
otice and Determination of Quorum
Proposed Agenda
Confirmation of the Minutes of the 6th Annual Stockholders Meeting
port
Financial Statements 2023
Financial Target and Budget 2024
win Tan, and seconded by Dir. Floriano Hilot, it was moved to adopt:
Resolution No. 01, Series of 2024
VIEDERY DEGOLVED to any other and a second and a second
HEREBY RESOLVED, to approve the proposed agenda as presented.
OTION ADDROVED
OTION APPROVED.
OPTION OF THE MINUTES OF THE 6TH ANNUAL STOCKHOLDER
Of THE MINE LESS OF THE VIEW O
arising on the minutes of the 6th Annual Stockholders Meeting.
n Tan Unjo and severally seconded, it was moved to adopt;
Resolution No. 02, Series of 2024
HEREBY RESOLVED, to approve of the Minutes of the 6th Annual Stockholders
OTION APPROVED.

PRESENTATION OF THE AUDITED FINANCIAL STATEMENTS 2022

119

	Vi
122 123	Ms. Ana Marie Michelle D. Quilab, Senior Audit Manager of Quilab & Garsuta CPAs presented the 2022 Audited Financial Statements.
124 125	She presented the following,
126 127 128 129 130 131	<ul> <li>Statements of Financial Position</li> <li>Statements of Profit or Loss and Other Comprehensive Income</li> <li>Statements of Changes in Equity</li> <li>Statements of Cash Flows</li> </ul>
132 133 134 135 136	External Auditor Quilab overall informed the body that CCLPI PLANS has done a great job for the year 2023. She said that the financial statements present fairly, in all material respects, the financial position of CCLPI PLANS as of December 31, 2023 and 2022, and of its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).
137 138 139	With that being said, the body acknowledges the report of the External Auditor and has no other comments thereto. Thus,
140 141 142	On motion of Dir. Floriano Hilot, seconded by Dir. Ronald Chan it was moved to adopt:
143 144	Resolution No. 04, Series of 2024
145 146	RESOLVE, AS IT IS HEREBY RESOLVED, to approve the Audited Financial Statements 2023.
146 147 148	NO OBJECTION. MOTION APPROVED.
150 151 152 153 154	APPOINTMENT OF THE EXTERNAL AUDITOR  President and CEO Mansueto Dela Peña suggested to retain the services of Quilab and Garsuta CPAs as the External Auditor of CCLPI Plans for the year 2024.
155 156 157	No further questions from the body, thus,
157 158 159	On motion of Mr. Pacienciano Tomarong, and seconded by Dir. Ronald Chan, it was moved to adopt:
160	Resolution No. 05, Series of 2024
161 162 163	<b>RESOLVE, AS IT IS HEREBY RESOLVED,</b> to approve the re-appointment of Quilab and Garsuta CPAs as the external auditor of CCLPI Plans.
164 165	NO OBJECTION. MOTION APPROVED.
166 167 168 169	CONFIRMATION AND APPROVAL OF THE DISTRIBUTION OF DIVIDENDS
170 171 172 173	President and CEO Mansueto V. Dela Pena presented the proposed distribution rate of the dividends of the Stockholders and Cooperative Partners for approval of all the Stockholders present. He also presented some insights on how the Board has come up with the 50% Retention allocated for the Building Fund.
174 175	On motion of Dir. Kerwin Tan, seconded by Dir. Alvin Yap Tan Unjo, it was moved to adopt:
176 177	Resolution No. 06, Series of 2024
178 179 180	<b>RESOLVE, AS IT IS HEREBY RESOLVED,</b> to approve and confirm the release of the dividends to be distributed in the rate of 2.75% on Common Share and 2% on Preferred Share.
181	NO OBJECTION. MOTION APPROVED.

CCLPI PLANS MINUTES OF THE  $7^{\mathrm{TH}}$  ANNUAL STOCKHOLDERS MEETING

ELECTION OF THE BOARD OF DIRECTORS

PAGE3

182

185 186 187	President and CEO Mansueto Dela Pena presented the process of the Election and who are the qualified stockholders and/or individuals to file for candidacy.		
188 189 190	Ms. Maria Fe Pineda of Sta. Catalina Credit Cooperative asked on the who are qualified to run as Board of Directors and who are qualified to vote.		
191 192 193	Atty. Kerwin Tan explained on the qualifications based on the Bylaws of CCLPI PLANS. He also explained who are qualified to run.		
194 195 196	At this juncture, Fr. Elmo Manching presented to the Stockholders the stand and decision of CLIMBS as approved during their recent Board of Directors Meeting.		
197 198 199	Ms. Pineda informed the body that she is not choosing on the options offered by CLIMBS to them as cooperative primaries under CLIMBS.		
200 201 202 203	President and CEO Mansueto Dela Pena announces to the body that the CCLPI PLANS management will call for a meeting or consultation between the cooperative partners and CLIMBS. The management will do the facilitation of the said consultative meeting.		
204 205 206 207	Mr. Pacienciano Tomarong of AIMCOOP expressed that CCLPI PLANS is doing well based on its Audited Financial Statements for 2023. He then motioned that the present Board pf Directors be retained on status quo.		
208 209 210	Atty. Isidro Lico presented the Board Resolutions submitted by CLIMBS Life and General Insurance Cooperative to CCLPI PLANS.		
211 212 213 214	Fr. Elmo Manching finally informed the assembly that the cooperative side already has submitted their official representatives to run for election and will be the official representatives in behalf of the cooperatives under CLIMBS.		
215 216	The following are the official candidates for Board of Directors:		
217 218	COOPERATIVE  1. Fr. Elmo Manching 2. MGEN Gilbert Llanto		
219	3. Mr. Noel Raboy		
221 222	<ol> <li>Mr. Floriano Hilot</li> <li>Mr. Ronald Chan</li> </ol>		
223	Atty. Antonio Manuel Alcantara – Independent Director		
224 225	PRIVATE SECTOR		
226	Mr. Renato Dychangco Jr.      Mr. Renato Dychangco Jr.		
227 228	Mr. Exequiel Robles     Mr. Alvin Tan Unjo		
229	4. Atty. Kerwin Tan		
230	5. Mr. Ferdinand Reyes		
231	6. Mr. Augustus Ferreria – Independent Director		
232 233 234	For the position of the Corporate Secretary, Atty. Daniel Evangelio Jr. is appointed.		
235 236	AMENDMENT OF THE BY-LAWS		
237 238	Atty. Kerwin Tan presented the amendment of the By-Laws. However, he is still to draft the said amendment and will be forwarded for confirmation.		
239 240 241	ANNOUNCEMENT OF THE OFFICIAL REPRESENTATIVES AS BOARD OF DIRECTORS OF CCLPI PLANS		
242 243	The following are the official Board of Directors of CCLPI PLANS, to wit:		
244 245	Chairman RENATO "OLY" DYCHANGCO, JR.		
246 247	Vice Chairman		
	CCLPI PLANS MINUTES OF THE 7 <sup>TH</sup> ANNUAL STOCKHOLDERS MEETING PAGE4		

		Many are property and the second		
248	Cooperative	MGEN GILBERT S. LLANTO		
249 250	Private	EXEQUIEL ROBLES		
251	Directors	Mr. Noel Raboy		
252	Mr. Floriano Hilot			
253		Engr. Ronald Chan		
254		Fr. Elmo Manching		
255		Mr. Alvin Yap Tan Unjo		
256		Atty. Kerwin Tan		
257	Mr. Ferdinand Reyes			
258	(			
259 260				
261	Corporate Secretary	Atty. Daniel Evangelio Jr.		
262	corporate secretary	Acty. Daniel Dvangeno or.		
263				
264	ADJOURNMENT			
265				
266		urnment, BOD Chairman Renato S. Dychangco Jr. warmly expressed his		
267		for the presence of the Board of Directors, the active participation of the		
268 269	for a job well done and to the succession	ives, and congratulated the entire Management and Staff of CCLPI Plans ess of the 7 <sup>th</sup> Annual Stockholders Meeting.		
270	for a job well dolle and to the succ	ess of the / Affilial Stockholders Meeting.		
271	On a motion of Dir. Ronald Chan.	the 7 <sup>th</sup> Annual Stockholders Meeting was adjourned at 12:04 P.M.		
272		, , , , , , , , , , , , , , , , , , ,		
273				
274		CERTIFICATION		
275		: 13.5		
276	CLIMBS Life Plan Inc. held on Au	tioned Minutes of the 7 <sup>th</sup> Annual Stockholders Meeting of Cosmopolitan		
277 278	CLIVIBS LITE FIAN INC. Held on At	agust 9, 2024 is true and correct.		
279				
280	Minutes transcribed by:			
281				
282	1			
283				
284	DIANNE M. ADLAON			
285	Recording Secretary			
286 287				
288	Attested by:	Noted by:		
289	,	(Vennesses III)		
290		JUNION DOJIMOS )		
291	SGD.ATTY. DANIEL EVANGE	LIO, JR. MR. RENATO "OLY" DYCHANGCO, JR.		
292	Corporate Secretary	Chairman, Board of Directors		
293				
294				
295 296		AUG 10 2024		
297	SUBSCRIBED AND SWORN to	before me this day of, 2024 at Cagayan de		
298	1 constant III constant III and the same			
299				
300	NAME	ID#		
301				
302	ATTY. DANIEL EVANGELIO, J	-/- V 1-/-V/		
303	MR. RENATO S. DYCHANGCO	J, JK.		
304	Dog No 751	NOEL B. VEDAD		
305	Doc. No. Page No.	Valid Until December 31 2035 (NC 2024 170		
306 307	Book No.	PTR NO. 578-263-A / 12-21-2023		
308	Series No. 2021	MCLE COMPLIANCE NO. VIII-0002739 / April 14, 2020		
309	100000000000000000000000000000000000000	119 Bldg., Tiayo-Pacana Sts., Brgy. 11, Cagayan de Oro City		



**TOP SALES COUNSELORS ACHIEVER AWARDEES** 

#### th FOUNDING **ANNIVERSARY AWARDEES**























**TOP UNIT MANAGERS ACHIEVER AWARDEES** 



**RAUL M. PREGON** 



RIC Q. GALIDO



LANI C. GUERRA



**GINA A. ALEMAN** 



ANGELITA M. ZUÑIGA









NORMAN JOSEPH D. DALMAN



**TOP AGENCY ACHIEVER AWARDEES** 









**TOP GENERAL AGENCY** 

**ACHIEVER AWARDEES** 

























#### Financial Statements of

#### Cosmopolitan CLIMBS Life Plan, Inc.

December 31, 2024 and 2023

And

Report of Independent Auditors



quilabgarsuta.com



#### REPORT OF INDEPENDENT AUDITORS

Contact Information
2F, Executive Centrum Building, J.R. Borja Street
Cagayan de Oro City, Philippines, 9000
(063) 88-856-4401, 0917-7121352
auilabaarsuta.com

Current Accreditations
BOA, BIR, SEC, BSP, IC
CDA, NEA, MISEREOR, KNH

The Board of Directors

Cosmopolitan CLIMBS Life Plan, Inc.

#### Opinion

We have audited the financial statements of Cosmopolitan CLIMBS Life Plan, Inc. (Company), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, comprising of a summary of material accounting policy information and other explanatory notes, collectively referred to as 'financial statements.'

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Cosmopolitan CLIMBS Life Plan, Inc. as of December 31, 2024 and 2023, and of its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

#### Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics for Professional Accountants in the Philippines* (Code of Ethics) together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
The Company's management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the
  disclosures, and whether the financial statements represent the underlying transactions and events in
  a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Arrivo. 6133948 A

January 2, 2025

Cagayan de Oro City

April 11, 2025 Cagayan de Oro City, Philippines

#### STATEMENTS OF FINANCIAL POSITION

Cosmopolitan CLIMBS Life Plan, Inc.

December 31,	2024	2023
ASSETS		
Current Assets	D54.054.404	D40 400 750
Cash and cash equivalents (Note 5)	₽54,051,161	₽43,138,756
Investments in financial instruments (Note 10)	20,375,000	40,521,167
Trade and other receivables – net (Note 6) Prepaid expenses (Note 7)	2,094,963 3,464,164	3,063,581 3,116,567
Total Current Assets	79,985,288	89,840,071
Total Culterit Assets	19,903,200	03,040,071
Non-Current Assets		
Property and equipment – net (Note 8)	7,208,033	7,455,505
Right-of-use assets – net (Note 9)	11,095,999	3,365,978
Investment in Trust Fund – Life Plan (Note 11)	294,058,564	197,834,896
Investments in financial instruments (Note 10)	98,057,041	95,321,798
Insurance Premium Fund (Note 12)	11,837,987	7,441,803
Other assets (Note 13)	1,474,721	1,003,430
Total Non-Current Assets	423,732,345	312,423,410
	₽503,717,633	₽402,263,481
	· · · · · · · · · · · · · · · · · · ·	
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Trade and other payables (Note 14)	₽50,411,879	₽44,532,588
Deposits for future subscriptions (Note 17)	5,000,000	7,000,000
Lease liabilities (Note 9)	2,201,719	1,102,343
Total Current Liabilities	57,613,598	52,634,931
	, ,	, ,
Non-Current Liabilities		450 700 070
Aggregate reserves for risks (Note 15)	236,973,818	159,720,072
Lease liabilities (Note 9)	9,186,847	2,497,654
Retirement benefit obligation (Note 16)	498,108	3,024,920
Total Non-Current Liabilities	246,658,773	165,242,646
Total Liabilities	304,272,371	217,877,577
Shareholders' Equity		
Share capital (Note 17)		, ,
Net earnings of Trust Fund – Life Plan (Note 18)	160,483,938	
Retained earnings, appropriated (Note 17)	160,483,938 22,830,543	158,483,938 10,416,520
Retained earnings, unappropriated		158,483,938
· · · · · · · · · · · · · · · · · · ·	22,830,543	158,483,938 10,416,520
Revaluation reserves – net (Notes 11 and 16)	22,830,543 10,862,841	158,483,938 10,416,520 5,104,331
•	22,830,543 10,862,841 6,612,992	158,483,938 10,416,520 5,104,331 8,897,977
Revaluation reserves – net (Notes 11 and 16)	22,830,543 10,862,841 6,612,992 (1,345,052)	158,483,938 10,416,520 5,104,331 8,897,977 1,483,138

See Notes to Financial Statements.

#### STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Cosmopolitan CLIMBS Life Plan, Inc.

Years Ended December 31,	2024	2023
REVENUE		
Premiums (Note 19)	₱171,883,362	₽153,420,399
Trust fund income (Notes 11 and 18)	15,517,529	8,306,690
Investment income (Note 20)	8,400,907	7,653,090
Miscellaneous	3,771,909	3,207,729
Total Revenue	199,573,707	172,587,908
COSTS AND EXPENSES		
Cost of contracts issued:		
Increase in aggregate reserves for risks (Note 15)	77,253,746	61,456,181
Collection costs (commissions) (Note 19)	25,802,644	31,087,336
Plan benefits paid (Note 15)	15,981,787	12,233,793
Other direct costs and expenses (Note 21)	4,720,183	4,308,892
Total cost of contract issued	123,758,360	109,086,202
Salaries, wages and employees' benefits (Note 22)	25,557,923	19,700,203
General and administrative (Note 23)	17,932,460	16,996,303
Depreciation and amortization (Notes 8, 9 and 13)	7,443,920	3,845,086
Total Costs and Expenses	174,692,663	149,627,794
PROFIT BEFORE INCOME TAX EXPENSE	24,881,044	22,960,114
INCOME TAX EXPENSE (Note 24)		
Current	5,238,775	5,083,736
Deferred	(455,088)	_
Net	4,783,687	5,083,736
PROFIT FOR THE YEAR	20,097,357	17,876,378
OTHER COMPREHENSIVE INCOME		
Item that will not be recycled subsequently to profit or loss		
Remeasurement loss on defined benefit obligation (Note 16)	(234,986)	(372,628)
Fair value gains (losses) on investment in Trust Fund – Life Plan (Note 11)	(2,593,204)	6,618,470
Net	(2,828,190)	6,245,842
TOTAL COMPREHENSIVE INCOME	₱17,269,167	₽24,122,220
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See Notes to Financial Statements.

# STATEMENTS OF CHANGES IN EQUITY Cosmopolitan CLIMBS Life Plan, Inc.

December 31,	2024	2023
SHARE CAPITAL (Note 17)		
Ordinary (Common) Shares		
Opening balances	₽138,683,938	₽137,812,500
Additional subscriptions received during the year	2,000,000	871,438
Closing balances	140,683,938	138,683,938
Preference Shares	19,800,000	19,800,000
Total Share Capital	160,483,938	158,483,938
RETAINED EARNINGS OF TRUST FUND – LIFE PLAN		
Opening balances	10,416,520	3,771,168
Income from investments in trust fund (Note 18)	12,414,023	6,645,352
Closing balances	22,830,543	10,416,520
RETAINED EARNINGS – APPROPRIATED		
Opening balances	5,104,331	2,474,485
Appropriation during the year (Note 17)	5,758,510	2,629,846
Closing balances	10,862,841	5,104,331
RETAINED EARNINGS – UNAPPROPRIATED	, ,	, ,
Opening balances	8,897,977	8,668,486
Profit for the year	7,683,334	11,231,026
Appropriation during the year (Note 17)	(5,758,510)	(2,629,846)
Dividends declared during the year (Note 17)	(4,209,809)	(8,371,689)
Closing balances	6,612,992	8,897,977
REVALUATION RESERVES		
Revaluation Reserve on FVTOCI Investments		
Opening balances	1,855,766	(4,762,704)
Other comprehensive income for the year (Note 11)	(2,593,204)	6,618,470
Closing balances	(737,438)	1,855,766
Remeasurement Reserve from Defined Benefit Plan		
Opening balances	(372,628)	_
Net change during the year (Note 16)	(234,986)	(372,628)
Closing balances	(607,614)	(372,628)
Total Reserves	(1,345,052)	1,483,138
	₱199,445,262	₽184,385,904
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See Notes to Financial Statements.

# STATEMENTS OF CASH FLOWS Cosmopolitan CLIMBS Life Plan, Inc.

Years Ended December 31,	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax expense	<b>₽24,881,044</b>	₽22,960,114
Add (deduct) adjustments:		
Depreciation of property and equipment – net (Note 8)	5,106,537	2,459,169
Amortization of other assets (Note 13)	220,232	286,126
Depreciation of right-of-use assets (Note 9)	2,117,151	1,099,791
Increase in actuarial reserve liabilities (Note 15)	77,253,746	61,456,181
Provision for impairment on trade and other receivables (Note 6)	26,341	91,863
Interest expense on lease liability (Note 9)	278,976	231,357
Provision for retirement benefits (Note 16)	187,330	1,023,793
Investments and trust fund income (Notes 11, 18 and 20)	(23,918,436)	(15,959,780)
Net cash provided from operations	86,152,921	73,648,614
Changes in working capital, excluding cash and cash equivalents:		
Decrease (increase) in trade and other receivables (Note 6)	942,277	(144,337)
Decrease (increase) in prepaid expenses (Note 7)	(347,597)	924,274
Increase in trade and other payables (Note 14)	6,977,462	10,348,810
Net cash generated from operations	93,725,063	84,777,361
Income taxes paid (Note 24)	(5,992,061)	(3,602,261)
Net Cash Provided from Operating Activities	87,733,002	81,175,100
CASH FLOWS FOR INVESTING ACTIVITIES		
Decrease (increase) in investments in financial instruments (Note 10)	17,410,924	(19,031,471)
Increase in investment in Trust Fund – Life Plan (Note 11)	(98,816,872)	(74,006,772)
Additions to Insurance Premium Fund (Note 12)	(4,396,184)	(1,381,287)
Investments and trust fund income (Notes 11, 18 and 20)	23,918,436	15,959,780
Acquisition of property and equipment – net (Note 8)	(4,859,065)	(2,371,560)
Decrease (increase) in other non-current assets (Note 13)	(691,523)	202,891
Net Cash Used for Investing Activities		
Net Cash Osed for investing Activities	(67,434,284)	(80,628,419)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends declared during the year (Note 17)	(4,209,809)	(8,371,689)
Contributions to retirement plan assets (Note 16)	(2,949,128)	(5,5: 1,555)
Payment of lease principal and interest (Note 9)	(2,227,376)	(1,258,500)
Payments received from capital stock subscriptions (Note 17)	(=,==:,=:=)	871,438
Net Cash Used for Financing Activities	(9,386,313)	(8,758,751)
	, , , ,	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,912,405	(8,212,070)
OPENING CASH AND CASH EQUIVALENTS	43,138,756	51,350,826
CLOSING CASH AND CASH EQUIVALENTS (Note 5)	₽54,051,161	₽43,138,756
See Notes to Financial Statements	,,	, / 55, / 56

See Notes to Financial Statements.

# NOTES TO FINANCIAL STATEMENTS

Cosmopolitan CLIMBS Life Plan, Inc. As of and for the Years Ended December 31, 2024 and 2023

# Note 1 General Information

The Cosmopolitan CLIMBS Life Plan, Inc. (henceforth referred to as 'Company') was registered by the Securities and Exchange Commission (SEC) on December 7, 2016. It obtained its secondary license from the Insurance Commission (IC) on August 9, 2017. It received from IC its Permit to Offer Pre-Need Plans on December 22, 2017. The Company officially started commercial operations at the beginning of 2018.

The Company was organized 'to engage in the pre-need business and develop and sell contractual plans for the benefit of plan-holders, subscribers, or purchasers thereof'. It embodies the synergy of the cooperative system and a private funeral company and strongly positioned itself to break the pre-need industry's growth of only 2.97% as played by the top 3 major companies in the industry. CLIMBS Life and General Insurance Cooperative, a grassroot insurance cooperative with national network of primary cooperative members and Cosmopolitan Funeral Homes Inc., a corporation providing funeral, mortuary and allied services with branches nationwide, joined together to ensure that the Company delivers to the cooperative members and the community at large affordable, efficient and reliable care and service in times of need.

The Company presently sells memorial life plans.

The Company's area of operations covers the whole country. The Company's Head Office is located at the 4<sup>th</sup> Floor, CLIMBS Building, Tiano-Pacana Streets, Cagayan de Oro City. It maintains sub-offices in key cities and regions of the country.

# Note 2 Statement of Compliance with Philippine Financial Reporting Standards (PFRS)

#### Statement of Compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs) and Philippine Interpretations-IFRIC.

PFRSs include statements named PFRSs and Philippine Accounting Standards (PAS/IAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy (BOA) and adopted by the Securities and Exchange Commission (SEC).

Because the Company is a supervised entity by the Insurance Commission (IC), it also abides by the regulations of the Commission particularly those that are set forth in the Pre-need Rule 31, As Amended: Accounting Standards for Pre-Need Plans and Pre-need Uniform Chart of Accounts (PNUCA), and all applicable IC Circular Letters and accounting requirements. These regulations and requirements are substantially compliant with PFRSs.

#### New and Amended IFRS Accounting Standards that are Effective for the Current Year

In the current year, the Company has applied a number of amendments to PFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the FSRSC (as Philippine Financial Reporting Standards) that are mandatorily effective for an accounting period that begins on or after January 1, 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

#### Amendments to PAS/IAS 7 Statement of Cash Flows and

#### PFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements

The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The amendments contain specific transition provisions for the first annual reporting period in which the Company applies the amendments. Under the transitional provisions an entity is not required to disclose:

- Comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments
- The information otherwise required by PAS/IAS 7:44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.

The Company has no supplier finance arrangements.

#### Amendments to PAS/IAS 1 Classification of Liabilities as Current or Non-current

The Company has adopted the amendments to PAS/IAS 1, published in January 2020, for the first time in the current year. The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to PAS/IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants The Company has adopted the amendments to PAS/IAS 1, published in November 2022, for the first time in the current year. The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g., a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is

required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The Company has no non-current liabilities with covenants.

#### Amendments to PFRS 16 Leases—Lease Liability in a Sale and Leaseback

The Company has adopted the amendments to PFRS 16 for the first time in the current year. The amendments to PFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in PFRS 15 *Revenue from Contracts with Customers* to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognized by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in PFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with PAS/IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied PFRS 16.

# New and Revised IFRS Accounting Standards in Issue But Not Yet Effective

At the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards (which will become PFRS Accounting Standards) that have been issued but are not yet effective and is some cases had not yet been adopted by the FSRSC.

- PFRS 17 Insurance Contracts (including the June 2020 and December 2021 amendments to IFRS 17)
- Amendments to PAS 7 Statement of Cash Flows and PFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements
- Amendments to IAS 21 Lack of Exchangeability
- IFRS 18 Presentation and Disclosures in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Board of Directors does not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company in future periods, except if indicated below, when applicable.

#### IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 *Insurance Contracts*. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium

allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

In December 2021, the IASB issued Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17) to address implementation challenges that were identified after IFRS 17 was published. The amendment addresses challenges in the presentation of comparative information. IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

The FSRSC adopted the amendments on December 15, 2021 and amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission (IC) which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

The Company has determined that the life plan it issues has significant insurance risk and therefore meets the definition of an insurance contract. Presently, these are accounted for under PFRS 4, which will be superseded by PFRS 17 beginning January 1, 2025. The Company is working closely with its actuaries and the pre-need industry association it belongs to and relies on guidance from the Insurance Commission (IC) as it seeks understanding in the implementation of the provision of PFRS 17.

#### Amendments to PAS 7 Statement of Cash Flows and

#### PFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements

The FSRSC has adopted the amendments to IAS 7 and IFRS 7 on June 19, 2023, to be effective beginning January 1, 2025. The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The amendments contain specific transition provisions for the first annual reporting period in which the Company applies the amendments. Under the transitional provisions an entity is not required to disclose:

- Comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments
- The information otherwise required by PAS 7:44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.

The Company has no supplier finance arrangements.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability
The amendments specify how to assess whether a currency is exchangeable, and how to determine the

exchange rate when it is not. The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include: (a) a spot exchange rate for a purpose other than that for which an entity assesses exchangeability, and (b) the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments add a new appendix as an integral part of IAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying IAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented.

In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

The Board of Directors of the Company anticipates that the application of these amendments may not have any impact on the Company's financial statements in future periods.

#### IFRS 18 Presentation and Disclosures in Financial Statements

The FSRSC has adopted PFRS 18 on October 10, 2024, to be effective beginning January 1, 2027. PFRS 18 replaces PAS 1, carrying forward many of the requirements in PAS 1 unchanged and complementing them with new requirements. In addition, some PAS 1 paragraphs have been moved to PAS 8 and PFRS 7. Furthermore, minor amendments were made to PAS 7 and PAS 33 *Earnings per Share*.

PFRS 18 introduces new requirements to: (1) present specified categories and defined subtotals in the statement of profit or loss, (2) provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements, and (3) improve aggregation and disaggregation.

An entity is required to apply PFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to PAS 7 and PAS 33, as well as the revised PAS 8 and PFRS 7, become effective when an entity applies PFRS 18. PFRS 18 requires retrospective application with specific transition provisions.

The Board of Directors of the Company anticipates that the application of these amendments may have an impact on the Company's financial statements in future periods.

#### IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply PFRS 19 if, at the end of the reporting period: (1) it is a subsidiary (this includes an intermediate parent), (2) it does not have public accountability, and (3) its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with PFRS Accounting Standards.

A subsidiary has public accountability if: (1) its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or (2) it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

The Board of Directors of the Company does not anticipate that IFRS 19 (to become PFRS 19 in the Philippines) will be applicable to the financial statements of the Company.

# Note 3 **Summary of Material Accounting Policy Information**

The material accounting policies that have been used in the preparation of these financial statements are summarized below. The Company's management expects these policies to influence the decisions of users of the financial statements. Accounting policies related to immaterial transactions or events were no longer disclosed.

# Going Concern

The Board of Directors has at the time of approving the financial statements, a reasonable expectation that the

Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### Financial Instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade and other receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Although the Company does not have all of the following financial instruments in its financial statements, the policies governing the accounting of these financial instruments are discussed in detail to allow for the proper understanding of the policies governing such financial instruments.

#### Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognized financial assets are

measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

#### Classification of Financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost: (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI): (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset: (a) the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met [see (iii) below]; and (b) the Company may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch [see (iv) below].

# Amortized Cost and Effective Interest Method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognizes interest income by

applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to a gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

The Company's financial assets at amortized costs includes cash and cash equivalents and trade and other receivables.

#### Cash and Cash Equivalents

Cash and cash equivalents are carried in the financial statements at cost. Cash comprise unrestricted cash on hand, deposits held at call with banks, and time deposits with banks that can be pre-terminated anytime without significant risk of change in value. It also include designated cash for insurance premium fund. Cash equivalents (including those invested in trust funds and financial instruments) represent short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

#### Trade and Other Receivables

Trade and other receivables are outstanding balances from debtors less the allowance for impairment losses. Receivables are recognized when the Company becomes party to the contract, which happens when the goods or services are dispatched. They are derecognized when the rights to receive the cash flows have expired e.g., due to the settlement of the outstanding amount or where the Company has transferred substantially all the risks and rewards associated with that contract. Other receivables are stated at invoice value less an allowance for impairment losses. Trade and other receivables are subsequently measured at amortized cost as the business model is to collect contractual cash flows and the debt meets the SPPI criterion.

# (ii) Debt Instruments Classified as at FVTOCI

The investment in trust fund – life plan administered by a trustee includes investments in debt instruments that are classified as at FVTOCI. The investments are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these investments as a result impairment gains or losses (see below), and interest income calculated using the effective interest method (see (i) above) are recognized in profit or loss.

The amounts that are recognized in profit or loss are the same as the amounts that would have been recognized in profit or loss if these investments had been measured at amortized cost. All other changes in the carrying amount of these investments are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these investments are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

#### (iii) Equity Instruments Designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive incomes and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with PFRS 9 unless the dividends clearly represent a recovery of part of the cost of the investment.

The Company designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition.

A financial asset is held for trading if: (1) it has been acquired principally for the purpose of selling it in the near term; or (2) on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or (3) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

# (iv) Financial Assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI [see (i) to (iii) above] are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition [see (iii) above].
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria [see (i) and
  (ii) above] are classified as at FVTPL. In addition, debt instruments that meet either the amortized
  cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such
  designation eliminates or significantly reduces a measurement or recognition inconsistency (so
  called 'accounting mismatch') that would arise from measuring assets or liabilities or recognizing
  the gains and losses on them on different bases. The Company has not designated any debt
  instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (the Company has no hedge investments). The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial assets and is included in the 'Investment Income' line item (Note 20). Fair value is determined in the manner described in the Company's material accounting policy information.

#### Impairment of Financial Assets

The Company recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL (expected credit losses) for trade and receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

#### (i) Significant Increase in Credit Risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial
  instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the
  debtor, or the length of time or the extent to which the fair value of a financial asset has been less
  than its amortized cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are
  expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and
- An actual or expected significant adverse change in the regulatory, economic, or technological
  environment of the debtor that results in a significant decrease in the debtor's ability to meet its
  debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if: (1) the financial instrument has a low risk of default; (2) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and (3) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

#### (ii) Definition of Default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable: (1) when there is a breach of financial covenants by the debtor; or (2) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### (iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is creditimpaired includes observable data about the following events: (a) significant financial difficulty of the issuer or the borrower; (b) a breach of contract, such as a default or past due event (see (ii) above); (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or (e) the disappearance of an active market for that financial asset because of financial difficulties.

#### (iv) Write-Off Policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

#### (v) Measurement and Recognition of Expected Credit Losses (ECL)

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with PFRS 16.

For a financial guarantee contract, as the Company is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Company expects to receive from the holder, the debtor or any other party.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for

lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve and does not reduce the carrying amount of the financial asset in the statement of financial position.

#### Derecognition of Financial Assets

The Company derecognizes a financial asset only when the contractual rights to the cash flow from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

#### Financial Liabilities and Equity

#### Classification as Debt or Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

#### Financial Liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Company, are measured in accordance with the specific accounting policies set out below.

#### Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) designated as at FVTPL.

A financial liability is classified as held for trading if: (a) it has been acquired principally for the purpose of repurchasing it in the near term; or (b) on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or (c) it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if: (1) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or (2) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or (3) it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Investment Income' line item (Note 20) in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guaranty contracts issued by the Company that are designated by the Company as at FVTPL are recognized in profit or loss. The Company does not have financial liabilities measured at FVPL.

#### Financial Liabilities Measured Subsequently at Amortized Cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

#### Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognized in profit or loss as the modification gain or loss within other gains and losses.

#### **Prepayments**

Prepaid expenses are expenditures paid for in one accounting period, but for which the underlying assets will not be consumed until a future period. When the asset is eventually consumed, it is charged to expense. Prepayments are carried at cost and are amortized on a straight-line basis, over the period of intended usage, which is equal to or less than 12 months or within the normal operating cycle.

# Property and Equipment

The property and equipment are carried at cost less accumulated depreciation and any impairment in value, if any. Such cost includes the major renovations or cost of replacing part of such property and equipment when it is probable that future economic benefits arising from the renovations will flow to the Company.

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

- a) Service vehicles, 5 years;
- b) Office furniture, fixtures and equipment, 3 to 5 years;
- c) IT equipment, 3 to 5 years; and
- d) Leasehold improvements, over the estimated useful lives of the improvements or the term of the lease, whichever is shorter.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. 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 asset) is included in the statement of profit or loss in the year the asset is derecognized.

The carrying values of property and equipment are reviewed for impairment when changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The recoverable amount of property and equipment is the greater of net selling price and value in use. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount.

#### Right-of-Use Assets

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

#### Impairment of Non-Financial Assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### Actuarial Reserve Policies

Pre-need reserves (PNR) for life plans represents the accrued net liabilities of the Company to its planholders. Insurance premium reserve (IPR) is set up as additional reserves to pay for premiums of insurance coverage of fully paid planholders.

These actuarial liabilities are computed by the Consulting Actuary of the Company using actuarial practices generally accepted in the Philippines and based on standards and guidelines set forth by the IC and of the Actuarial Society of the Philippines (ASP). The increase or decrease in the account is charged or credited to costs of contracts issued in the statement of profit or loss.

Actuarial liabilities and other policy liabilities represent the estimated amounts which, together with estimated future premiums and net investment income, will provide for outstanding claims, estimated future benefits, and expenses on in-force policies. In calculating actuarial liabilities, assumptions must be made about the timing and amount of many events, including death, investment, inflation, policy termination, expenses, taxes, premiums/commissions.

The Company uses best estimate assumptions for expected future experience. Uncertainty is inherent in the process, as no one can accurately predict the future. Some assumptions relate to events that are anticipated to occur for many years in the future and are likely to require subsequent revision. Additional provisions are included in the actuarial liabilities to provide for possible adverse deviations from the best estimates. If the assumption is more susceptible to change, or if the actuary is less certain about the underlying best estimate assumption, a correspondingly larger provision is included in actuarial liabilities.

In determining these provisions, the Company ensures: (a) when taken one at a time, the provision is reasonable with respect to the underlying best estimate assumption, and the extent of uncertainty present in making that assumption, and (b) in total, the cumulative effect of all provisions is reasonable with respect to the total actuarial liabilities. With the passage of time and resulting reduction in estimation risk, the provisions are released into income. The best estimate assumptions and margins for adverse deviations are reviewed annually and revisions are made where deemed necessary and prudent.

#### Recording of Claims from Policyholders

Claims incurred comprise settlement and handling costs of paid and outstanding claims arising during the year and adjustments to prior year claim provisions. Outstanding claims comprise claims incurred up to, but not paid, at the end of the year, whether reported or not. Reinsurance recoveries are accounted for in the same period as the related claim.

# Share Capital

Capital stock represents the nominal value of shares that have been issued. Additional paid-in capital includes any premium received on the initial issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Where the Company purchases its own equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects is included in equity attributable to the Company's equity holders.

#### Retained Earnings

Retained earnings include all current results of operations as disclosed in the statement of changes in equity and are reduced by dividends on capital stock. Retained earnings may also include the effect of changes in accounting policy as may be required by the transition provisions of new and amended standards.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved by the shareholders prior to the reporting date.

In accordance with the provisions of Chapter VIII, Section 30 of the Pre-need Code, and guided by IC Circular Letter No. 2018-1, the Company identifies its retained earnings as follows:

- (a) Retained Earnings Corporate Funds, (unrestricted) which pertains to the accumulated earnings of the Company reduced by whatever losses the Company may incur during a certain accounting period or by dividend declarations. The Company uses the account 'Retained Earnings, Unrestricted', and
- (b) Retained Earnings Trust Fund Life Plan, which pertains to the accumulated income of the investments in trust fund.

In accordance with Section 29 of the R.A. 98291, An Act Establishing the Pre-Need Code of the Philippines, 'A pre-need company may declare dividend: Provided, That the following shall remain unimpaired, as certified under oath by the president and the treasurer with respect to items (a) and (b); and in the case of item (c), by the trust officer: (a) One hundred percent (100%) of the capital stock; (b) An amount sufficient to pay all net losses reported, or in the course of settlement, and all liabilities for expenses and taxes; and (c) Trust fund. Any dividend declared under the preceding paragraph shall be reported to the Commission within thirty (30) days after such declaration.'

#### Revaluation Reserves on FVTOCI Investments

The accumulated other comprehensive income account is an equity category comprised of the cumulative amounts of other comprehensive income (OCI). OCI presently comprises the change in the fair value of the investments in trust funds.

#### Revenue and Cost Recognition

The Company's revenue arises primarily from the sale of a pre-need product and secondarily from investment-related transactions such as investment income, dividend income, interest income and other sources of revenue. Management has determined that the revenue from pre-need operations is within the scope of PFRS 4 while the income from investments in financial instruments is within the scope of PFRS 9. Incomes from other sources are within the scope of PFRS 15.

The Company recognizes revenue as follows:

# (1) Premiums Revenue

Revenue from sale of a pre-need product is recognized under PFRS 4 *Insurance Contracts*, which defines an insurance contract as a 'contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.' PFRS 4 temporarily exempts the Company from some requirements of other PFRSs until the efficacy of PFRS 17, beginning January 1, 2025.

Under the provisions of PFRS 4, the Company recognizes:

- Premiums from sale of pre-need plans as earned when collected and with corresponding increase in the insurance trust fund and insurance premium fund.
- Service fees, loading income, surcharge and amendment fees are recognized in the period in which the related services are performed.

# (2) Investments Income

Income investments are accounted for under PFRS 9 Financial Instruments as follows:

- Income from investments in debt and equity securities held to collect contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes) are recognized at amortized cost, with interest income recognized at the effective interest rate.
- Income generated from Investment in Trust Fund Life Plan is restricted in nature. In

accordance with the provisions of Section 30 of the Pre-Need Code, the trust fund income is intended only for the payment of: (a) the cost of benefits or services; (b) the termination values payable to the planholders, and (c) the insurance premium payments for insurance-funded benefits of memorial life plans and other costs necessary to ensure the delivery of benefits or services to planholders. The Company made an irrevocable election at initial recognition to measure the investments of trust fund at FVTOCI with only dividend income recognized in profit or loss.

Trust fund income (net of the allowed payments) is accumulated in Retained Earnings (Deficit), Trust Fund – Life Plan.

#### (3) Non-Insurance Revenues

The Company recognizes non-insurance revenues in accordance with PFRS 15 Revenue from Contracts with Customers at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer.

For each contract with a customer, the Company:

- (1) Identifies the contract with a customer;
- (2) Identifies the performance obligations in the contract;
- (3) Determines the transaction price which takes into account estimates of variable consideration and the time value of money;
- (4) Allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- (5) Recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognized as deferred revenue in the form of a separate refund liability.

#### (4) Cost and Expenses

Costs and expenses are recognized in the statement of profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen, which can be measured reliably.

Costs and expenses are recognized in the statement of profit or loss: i) on the basis of a direct association between the cost incurred and the earnings of specific items of income; ii) on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or iii) immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

Insurance-related costs are accounted as follows:

Changes in the required Pre-Need Reserves, trust fund contributions and other reserves are

recognized as expense during the year. Documentary stamp taxes and IC registration fees are expenses as incurred.

- Plan benefits expense is recognized for benefits availed of by planholders/beneficiaries that normally include the costs of memorial services, maturities or termination benefits, except benefits paid from insurance coverage.
- Collection costs (representing commissions to licensed active agents) are due and payable for every premium income recognized. Commission rates are based on IC-approved rates.

#### Leases - The Company as Lessee

The Company's leases substantially involve the use of office spaces that are used for its Head Office and regional branch offices nationwide. The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. For purposes of discounting, the Company is using the average rate of its investments in financial instruments.

The incremental borrowing rate depends on the term and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Company and the lease does not benefit from a guarantee from the Company.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment

under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified, and the lease modification is not accounted for as a separate lease, in
which case the lease liability is remeasured based on the lease term of the modified lease by
discounting the revised lease payments using a revised discount rate at the effective date of the
modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under PAS/IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets and the corresponding lease liability are presented separately in the statement of financial position as required under IC Circular Letter No. 2019-70, dated December 2, 2019. The Company applies PAS/IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Rental" in the statement of profit or loss.

As a practical expedient, PFRS 16 permits a lessee not to separate non-lease components and instead accounts for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

# Leases - The Company as Lessor

The Company is not a lessor of properties.

#### Compensation and Employees Benefits Expense

Employee benefits are all forms of consideration given by the Company in exchange for services rendered by employees or for the termination of their employment in the Company. The Company recognizes: (a) a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and (b) an expense when the Company consumes the economic benefit arising from the service provided by an employee in exchange for employee benefits.

The following represent the accounting followed by the Company for all types of employee benefits, except share-based payment, to which there is none.

#### • Short-Term Employee Benefits

Short-term employee benefits are those expected to be settled wholly before twelve months after the end of the annual reporting period during which employee services are rendered, but do not include termination benefits. These benefits include wages, salaries, profit-sharing and bonuses (if there are any) and non-monetary benefits paid to current employees. These are recognized when the employee has rendered the service and are measured at the undiscounted amounts of benefits expected to be paid in exchange for that service.

The benefits also include compensated absences, which are recognized for the number of paid leave days (including holiday entitlement) remaining at the reporting date. The expected cost of short-term compensated absences is recognized as the employees rendering service that increases their entitlement or, in the case of non-accumulating absences, when the absences occur, and includes any additional amounts the Company expects to pay as a result of unused entitlements at end of period. The amounts recognized are included in the Trade and Other Payables account in the statement of financial position at undiscounted amount that the Company expects to pay as a result of the unused entitlement.

#### Post-Employment Benefit Plans

The Company has not yet covered its employees with any post-retirement benefit program considering that the operation of the Company is barely three years old under operating status. The Company's work force is considered young. The Board of Directors is cognizant of the need to provide post-employment benefits to its employees; however, the cost-benefit estimate favors postponement of any action at this time on the issue of the immateriality of the amount involved.

#### Termination Benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either: (a) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or (b) providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the statement of financial position date are discounted to present value.

#### Income Taxation

The income tax expense represents the sum of the tax currently payable and deferred. The Company has no deferred taxes at present.

#### Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of the Chief Accounting Officer of the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

#### Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the liability method.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realized based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except: (a) where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and (b) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits from excess minimum corporate income tax (MCIT) and unused net operating loss carry over (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused NOLCO can be utilized except: (a) where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and (b) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate (and tax laws) that have been enacted or substantively enacted at the statement of financial position date. Income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss.

#### Earnings per Share

Basic earnings per share (EPS) is computed by dividing the profit for the year attributable to common shareholders (net income for the period less dividends on convertible redeemable preferred shares) by the weighted average number of common shares issued and outstanding during the year and adjusted to give retroactive effect to any stock dividends declared during the period.

Diluted EPS is computed by dividing the net income for the year attributable to common shareholders by the weighted average number of common shares outstanding during the year adjusted for the effects of dilutive convertible redeemable preferred shares. Diluted EPS assumes the conversion of the outstanding preferred shares. When the effect of the conversion of such preferred shares is anti-dilutive, no diluted EPS is presented.

#### Contingencies

A contingency arises when there is a situation for which the outcome is uncertain, and which should be resolved in the future, possibly creating a loss. The accounting for a contingency is essentially to recognize only those losses that are probable and for which a loss amount can be reasonably estimated. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable. Contingent liabilities are not recognized either, but these are generally disclosed unless the possibility of an outflow of resources is remote.

#### **Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### Events After Reporting Date

Post period-end events that provide additional information about the Company's position at reporting date (adjusting events), are reflected in the financial statements. Post period-end events that are not adjusting events are disclosed in the notes to financial statements when material.

# Note 4 Significant Critical Accounting Judgment and Key Sources of Estimation Uncertainty

In applying the Company's accounting policies, which are described in Note 3, *Summary of Material Accounting Policy Information*, the management of the Company is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

#### Critical Judgements in Applying the Company's Accounting Policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the management of the Company have made in the process of applying the accounting

policies and that have the most significant effect on the amounts recognized in the financial statements.

#### Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Company monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

#### Significant Increase in Credit Risk

Expected credit losses (ECL) are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. PFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

#### Key Sources of Estimation Uncertainty

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

# Fair Value Measurements

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible; but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

#### Estimating Useful Lives of Property and Equipment

The Company reviews annually the estimated useful lives of its property and equipment based on expected asset utilization. It is possible that future results of operations could be materially affected by changes in these estimates. A reduction in the estimated useful lives of these properties would increase recorded depreciation and amortization expense and decrease the related asset accounts.

# Impairment of Non-Financial Assets

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

#### Provision and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition and disclosure of provision are discussed in Note 3.

Note 5
Cash and Cash Equivalents

This account consists principally of the following:

December 31,	2024	2023
Cash on hand and revolving funds	₽350,000	₽230,000
Cash in banks	40,539,148	45,350,559
Short-term investments	25,000,000	5,000,000
Total	65,889,148	50,580,559
Designated for Insurance Premium Fund (Note 12)	(11,837,987)	(7,441,803)
	₽54,051,161	₽43,138,756

Cash on hand and revolving funds are dispersed throughout the Company's regional offices. Cash in banks earn interest rates ranging from 0.05% to 0.25% per annum and are generally placed with big commercial banks.

Short-term investments are in the form of time deposits that can be pre-terminated at any time, earning interest rates ranging from 5.875% to 6.30% per annum. Interest income earned from cash in banks and short-term placements (gross) amounted to ₱1,117,453 in 2024 and ₱45,428 in 2023. (See Note 20.)

Note 6 Trade and Other Receivables

This consists of the following:

December 31,	2024	2023
Advances to officers and employees, subject to liquidation procedures Accounts receivable – others	₱1,617,731 559,388	₽1,887,303 1,321,146
Accrued interest receivables	177,442	88,389
Total	2,354,561	3,296,838
Less allowance for expected credit losses (ECL)	259,598	233,257
Net	₱2,094,963	₽3,063,581

All amounts are short-term with their net carrying values considered reasonable approximation of their fair values.

#### Allowance for ECL

A reconciliation of the allowance for expected credit losses during the period is presented as follows:

December 31,	2024	2023
Opening balances	₱233,257	₽277,653
Provision for ECL for the year charged to operations (Note 23)	26,341	91,863
Accounts written-off	<b>-</b>	(136,259)
Closing balances	₱259,598	₽233,257

The recorded ECL pertains to advances to officers and employees and accounts receivable – others. A 12-month ECL was provided at 1% of the principal of all the accounts. The accounts written-off during 2023 was approved by the Board of Directors. The Company is claiming the tax benefits of the write-off which is included in its income tax returns. (See Note 24.)

Management considers the credit risk of accrued interest receivable as having low credit risk as the investee banks have investment grade ratings from international rating agencies. No ECL was provided on the account.

# Note 7 Prepaid Expenses

This account consists of the following:

December 31,	2024	2023
Deferred filing fees with the Insurance Commission (IC) Unused office and marketing supplies Prepayments	₱2,280,864 732,275 451,025	₽2,459,859 352,817 303,891
	₽3,464,164	₽3,116,567

The deferred filing fees with IC represent the 0.01% filing fee of the ₱1 billion worth of Angelica Life Plan that the Company applied for and subsequently obtained permission from IC to sell the plans. It is amortized as an expense to form part of the product cost and matched at every sale of a unit of the plan. Total filing fees expensed amounted to ₽179,346 in 2024 and ₽160,766 in 2023. (See Note 21.)

The prepayments pertain to insurance coverage purchased and paid for in advance of the coverage period and input VAT amortized over the useful life of the corresponding fixed asset.

Note 8 **Property and Equipment - At Cost** 

This account consists of the following:

December 31,	2024	2023
Comico vehicles	B40 570 044	D0 F0C 0F4
Service vehicles	₱10,576,241	₽8,586,954
Office furniture, fixtures and equipment	7,723,731	5,293,237
IT equipment	1,340,838	1,340,838
Leasehold improvements	1,164,628	725,344
Total	20,805,438	15,946,373
Less accumulated depreciation	13,597,405	8,490,868
Net	₽7,208,033	₽7,455,505

Reconciliation of the Accounts				
December 31, 2024	Opening Balances	Additions	Retirements	Closing Balances
Service vehicles	₽8,586,954	₽1,989,287	₽_	₱10,576,241
Office furn., fixtures and equipment	5,293,237	2,430,494		7,723,731
IT equipment	1,340,838			1,340,838
Leasehold improvements	725,344	439,284		1,164,628
Total cost	15,946,373	4,859,065		20,805,438
Less accumulated depreciation	8,490,868	5,106,537		13,597,405
Net Book Value	₽7,455,505	(₽247,472)	₽_	₽7,208,033
<u>December 31, 2023</u>				
Service vehicles	₽6,812,669	₽1,774,285	₽_	₽8,586,954
Office furn., fixtures and equipment (Carried Forward.)	4,695,962	597,275		5,293,237

(Brought Forwa	ard.)
December 31,	202

Opening Balances	Additions	Retirements	Closing Balances
1,340,838			1,340,838
725,344			725,344
13,574,813	2,371,560		15,946,373
6,031,699	2,459,169		8,490,868
₽7,543,114	(₽87,609)	₽_	₽7,455,505
	1,340,838 725,344 13,574,813 6,031,699	1,340,838 725,344 13,574,813 2,371,560 6,031,699 2,459,169	1,340,838 725,344 13,574,813 2,371,560 6,031,699 2,459,169

# Note 9 Right-of-Use Asset

The Company has nine lease contracts, all involving lease of offices. The leases on the Company's Head Office and a few regional offices covers up two to ten years and are reflected in the statement of financial position as right-of-use assets and a lease liability. The leases on its other regional offices and parking space are one-year leases, renewable yearly, hence treated as ordinary leases.

Total lease payments (including interest) amounted to ₱2,227,376 for 2024 and ₱1,258,500 for 2023. Total rental expenses incurred amounted to ₱204,004 in 2024 and ₱885,264 in 2023.

The Company discounted the future lease payments on the lease of its Head Office and regional offices at 5% per annum, the incremental borrowing rate based on an actual offer of a bank for a loan that is collateralized by the investment in financial instruments externally managed by the same bank. The observable rate was no longer adjusted for credit risk and other factors as management determined that any adjustments are immaterial.

Total interest expense amounted to ₱278,976 in 2024 and ₱231,357 in 2023. (See Note 23.)

December 31,			2024	2023
Right-of-use asset Less accumulated depreciation Net			P14,501,292 3,405,293 P11,095,999	₽5,183,205 1,817,227 ₽3,365,978
Accounting of the Movement of Rig December 31, 2024	ht-of-Use Assets Opening Balances	Additions	Retirements	Closing Balances
Right-of-use asset Less accumulated depreciation Net Book Value	₽5,183,205 1,817,227 ₽3,365,978	₽11,281,066 2,117,151 ₽9,163,915	₽1,962,979 529,085 ₽1,433,894	P14,501,292 3,405,293 P11,095,999
December 31, 2023 Right-of-use asset Less accumulated depreciation Net Book Value	₽5,183,205 717,436 ₽4,465,769	₽- 1,099,791 (₽1,099,791)	P	₽5,183,205 1,817,227 ₽3,365,978
<u>Lease Liability</u> December 31,			2024	2023
Current (portion due for the next 12 Non-current (portion due in excess Total Lease Liability	,		₱2,201,719 9,186,847 ₱11,388,566	P1,102,343 2,497,654 P3,599,997

Each lease imposes a restriction that, unless there is written approval of the lessor to sublet the asset to another party, the right-of-use asset can only be used by the Company. The lease contains an option to extend the lease for a further term under such terms and conditions as may be mutually agreed upon by the parties. Under the existing leases, the Company is required to keep the properties in good state, and repair and return the properties in their original condition at the end of the leases. Further, the Company must cover insurance items of property and equipment inside the leased premises and maintain them in accordance with the lease contracts.

Note 10 Investments in Financial Instruments

This account consists of the following investments:

December 31,	2024	2023
Investment in externally managed funds	₽67,057,041	₽64,321,798
Investments in corporate debt securities	51,375,000	71,521,167
Total	118,432,041	135,842,965
Less portion maturing in 12 months presented in current assets	20,375,000	40,521,167
Portion maturing over 12 months presented in non-current assets	₽98,057,041	₽95,321,798

#### Investment Management Agreement (IMA)

As part of its strategies to maximize the earning potentials of the Company's financial assets, the Company signed an IMA on September 1, 2019, with China Banking Corporation – Trust & Asset Management Group (China Bank TAMG) to administer and manage a total of P55 million of the Company's cash and cash equivalents. Under the IMA, China Bank TAMG (the Investment Manager) has full authority to make investment decisions, based on pre-agreed investment guidelines. The Company, however, retains legal title to the funds and properties subject to the arrangement. The Investment Manager charges the Company 0.5% per annum based on the outstanding principal balance of the fund.

At the end of the year, the Investment Manager reported the following status of the investment:

December 31,	2024	2023
Assets		
Cash in bank	₽2,806	₽2,839
Investment in UITF	5,199,707	2,685,877
Investment in debt securities	61,411,309	61,232,746
Other receivables	648,885	596,176
Total Assets	67,262,707	64,517,638
Liabilities		
Trust fees payable	129,777	119,235
Accrued expenses	75,889	76,605
Total Liabilities	205,666	195,840
Net Assets	₱67,057,041	₽64,321,798
Net Assets Accounted as Follows:		
Trust fund principal	<b>₽64,321,798</b>	₽61,811,494
Realized gain on sale of financial assets (net of final taxes)	2,735,243	2,510,304
	₽67,057,041	₽64,321,798

The realized gain on sale of financial assets are recognized in profit or loss at gross of final taxes, amounting to ₱3,665,286 in 2024 and ₱3,137,880 in 2023. (See Note 20.)

The annual report of the Investment Manager indicated that the financial instruments were not impaired at the end of the year.

#### Investments in Corporate Debt Instruments

This account consists of investments in bonds and deposits of the following:

December 31,	2024	2023
DDO Haibank Inc. (DDO)	B20 000 000	D3E 000 000
BDO Unibank, Inc. (BDO)	₽30,000,000	₽35,000,000
Cebu International Finance Corporation (CIFC)	15,000,000	15,521,167
Mindanao Consolidated Cooperative Bank (MCCB)	6,000,000	1,000,000
Philippine National Bank (PNB)	375,000	_
China Banking Corporation (Chinabank)	-	20,000,000
	₽51,375,000	₽71,521,167

These investments are debt securities with the following features:

- a) The investment in BDO is a 5-year, 5.375% per annum LTNCD that was purchased on April 12, 2019 and would mature on April 12, 2024 with a P5 million face value. During 2022, the Company placed additional P30 million in a 5-year retail treasury bonds, bearing 4.875% rate, to mature on March 4, 2027.
- b) The investment in Chinabank is a 91-day placement with 5% rate that was purchased on December 21, 2023 and will mature on March 21, 2024.
- c) The ₽15,521,167 outstanding CIFC investment is a 365-day renewal on December 20, 2023 with 5.5% rate and will mature on December 19, 2024. ₽15 million of the maturity value was reinvested with the same rate and will mature on December 19, 2025.
- d) The investment in MCCB is a 1,095-day time deposit with a 5.5% rate that was purchased on May 23, 2023 and will mature on May 26, 2026. The Company placed another ₱5 million investment in a 365-day time deposit with a 6% rate on December 20, 2024 and will mature on December 20, 2025.
- e) The PNB investment is a 360-day time deposit placed on December 23, 2024, earning 0.25% interest and maturing on December 18, 2025.

Total interest income earned from these investments (gross of final taxes) amounted to ₱3,618,168 in 2024 and ₱4,469,782 in 2023. Net of taxes, the investments income amounted to ₱2,894,534 in 2024 and ₱3,575,826 in 2023. (See Note 20.)

Management has determined that the financial instruments were not impaired at the end of the year.

# Note 11 Investment in Trust Fund – Life Plan

In compliance with Chapter VIII, Section 30 of the Pre-need Code, the Company established a Trust Fund for the estimated cost of benefits or services to be rendered in accordance with the plan contracts sold. In accordance with the Pre-need Code, no withdrawal shall be made from the trust funds except for the payment of:

- (a) the cost of benefits or services;
- (b) the termination values payable to the planholders; and
- (c) the insurance premium payments for insurance-funded benefits of memorial life plans and other costs necessary to ensure the delivery of benefits or services to planholders.

Details of the Trust Fund – Life Plan (Externally Managed Fund)		
December 31,	2024	2023
<u>Assets</u>		
Cash in bank	₽76,502	₽2,035,793
Investment in quoted equity securities	95,375,133	58,112,288
Investment in Government securities	196,096,899	136,237,934
Other receivables	13,145,215	1,683,848
_ Total	304,693,749	198,069,863
Liabilities		
Accounts payable	10,261,130	_
Trust fees payable	373,358	234,541
Accrued expenses	697	426
Total	10,635,185	234,967
Net Assets	₱294,058,564	₽197,834,896
Net Assets Accounted as Follows:		
Trust fund principal	₱197,834,896	₽117,209,654
Additional contributions	102,098,851	79,141,416
Withdrawals	(15,696,000)	(11,780,000)
Realized gain on sale of financial assets (net of final taxes)	12,414,023	6,645,352
Others	(252)	(136)
Expected credit losses OCI - FVOCI	`250 <sup>′</sup>	`140 <sup>′</sup>
Unrealized gain (loss) on FVOCI	(2,593,204)	6,618,470
- , ,	₱294,058,564	₽197,834,896

The realized gain on sale of financial assets are recognized in profit or loss at gross of final taxes, at ₱15,517,529 in 2024 and ₱8,306,690 in 2023. (See Note 18.)

The fair value gain (loss) on investments amounting to loss of ₱2,593,204 in 2024 and gain of ₱6,618,470 in 2023 were credited to other comprehensive income in the statements of profit or loss and other comprehensive income.

# Computation of Trust Fund Surplus

December 31,	2024	2023
Net assets of Trust Fund – Life Plan PNR and plan benefits payable (actuarially computed) (Note 15)	₱294,058,564 (236,973,818)	₽197,834,896 (159,720,072)
Trust Fund Surplus	₽57,084,746	₽38,114,824

In accordance with IC rules and regulations, the Company is required to deposit a certain portion of its collections from planholders with a trustee bank to ensure future payments of benefits to planholders. Deposits are made based on applicable rules and regulations of the IC and are adjusted to conform to the actuarial evaluation.

#### Trust Agreement with BDO Unibank, Inc.

On October 30, 2017, the Company signed a Trust Agreement with BDO Unibank, Inc. Trust and Investment Group (Trustee) to administer and manage the Trust Fund for Life Plan, with an initial capital of ₱12 million.

The salient features of the trust agreement include the following:

(1) The Trust Fund is established exclusively and solely for life plans pursuant to the Pre-Need Code. In

compliance with Chapter VIII, Section 30 of the Pre-need Code and in accordance with the terms of the trust agreement, no withdrawal shall be made from the Trust Fund except for the payment of: (a) the cost of benefits or services; (b) the termination values payable to the planholders; and (c) the insurance premium payments for insurance-funded benefits of memorial life plans and other costs necessary to ensure the delivery of benefits or services to planholders.

- (2) The initial amount of the Trust Fund shall be augmented by deposits to be made by the Company representing 45% of life plans sold or such higher amounts as determined by the actuary. In the case of installment payments, such deposits will be based on rates of contributions required under the Pre-Need Code and which are also specified in the Trust Agreement.
- (3) The Trustee's investment strategies are limited to fixed income instruments, equities and real estate (in accordance with Section 34 of the Pre-need Code), except for other investments that are authorized by the IC.
- (4) The Trust Fund, inclusive of earnings, shall be administered and managed by the Trustee who will have the right at any time to sell, convert, invest, change, transfer or change or dispose of the assets comprising the Trust Fund within the parameters that are compliant with IC regulations.
- (5) The investment in Trust Fund Life Plan is not a deposit account and a fixed rate of interest or a fixed return is neither assured nor guaranteed by the Trustee. The investment is not covered by PDIC, and losses, if any, shall be for the Account of the Company.
- (6) The Trustee shall not be liable for any loss or depreciation in the value of the assets of the Trust Fund resulting from any of the investment or reinvestment operations made by it and the exercise of discretionary powers given to it by the Trust Agreement. In case of fraud, gross negligence or bad faith, however, it shall be liable to the extent of the actual and/or incidental losses to the Trust Fund proven to be the result of such fraud, gross negligence or bad faith.
- (7) For services rendered under the Trust Agreement, the Trustee shall charge a trust fee of 0.50% per annum for the peso component of the Fund, based on the average month-end market value of the peso component of the Fund, which shall be deducted from the Fund on a quarterly basis. In no case, however, shall the trust fees be lower than ₱10 thousand per annum.

Management was assured by the Fund Trustee that the financial instruments were not impaired at the end of the year. The accounting of the revaluation reserves on FVTOCI investment is presented in the statement of changes in equity.

# Note 12 Insurance Premium Fund

This account consists of the following:

December 31,	2024	2023
Cash in Banks		
Rizal Commercial Banking Corporation (RCBC)	₽783	₽7,441,803
Banco de Oro (BDO)	1,837,204	-7,441,005
Short-term Investment	1,007,204	
Banco de Oro (BDO)	10,000,000	_
	₱11,837,987	₽7,441,803

The Insurance Premium Fund shall cover to the amount computed for the Insurance Premium Reserves (IPR). (See Note 15.) The amount maintained by the Company is found to be in excess of the required IPR.

Note 13 Other Non-Current Assets

This account consists of the following:

December 31,	2024	2023
Computer software, at cost	₽1,446,118	₽1,446,118
Accumulated amortization	(1,116,420)	(896,189)
Net	329,698	549,929
Security deposits (Note 25)	689,935	453,501
Deferred tax asset – MCIT (Note 24)	455,088	
	₽1,474,721	₽1,003,430

The cost of computer software is amortized over a period of 5 years, beginning 2017. Amortization costs charged to operations amounted to ₱220,232 in 2024 and ₱286,126 in 2023. The security deposits are related to the rentals of office spaces of the Head Office, as well as of the regional offices, and are refundable at the end of the leases, less any damage incurred on the properties. These deposits have no impact on recognition of the right-of-use asset and lease liability. (See Note 9.)

# Note 14 Trade and Other Payables

This account consists of the following trade and other payables which are generally non-interest bearing and are usually settled from 30 to 60 days:

December 31,	2024	2023
A command assessment	B20 400 000	D00 000 F70
Accrued expenses	₽30,480,920	₽22,803,579
Cash bond payable	5,532,737	4,700,022
Planholders' deposits (unidentified premium payments)	5,434,334	7,865,143
Unpaid plan benefits (Note 15)	3,698,775	3,187,500
Accounts payable (Note 25)	2,725,714	2,781,893
Unremitted contributions to Government agencies	2,084,311	1,530,988
Income tax payable (Note 24)	455,088	1,663,463
	₽50,411,879	₽44,532,588

Accrued expenses include unpaid commissions to agents and unpaid licensing fees. The accounts payable consist of unpaid lease rentals, insurance extension payments pending remittance, and share of expenses charged to the Company by CLIMBS Life and General Insurance Company, a major stockholder. The charges are interest-free. (See Note 25.)

# Note 15 Aggregate Reserves for Risks

This consists of the actuarial reserve liabilities of the following:

December 31,	2024	2023
Pre-need reserves (PNR) for life plans Insurance premium reserves (IPR)	₱227,563,916 9,409,902	₽153,048,694 6,671,378
	₽236,973,818	₽159,720,072

#### PNR for Life Plan

This represents the actuarial reserve liabilities set up by the Company pertaining to the accrual of its net liabilities to planholders computed using the net level premium reserving method based on a prospective approach. The amounts of reserves has been certified by the Consulting Actuary to be in accordance with commonly accepted actuarial standards and with the Guidelines and Standards of the Actuarial Society of the Philippines.

As of December 31, 2024, the Company has a total of 7,293 fully paid plans, with contract price amounting to P311.1 million. In addition to this, the Company also has a total of 10,806 in-force plans on installment, with contract price amounting P545.9 million, out of which, a total P245.6 million premiums were already collected. Plan benefits paid amounted to P15,981,787 for 2024 and P12,233,793 for 2023. Plan benefits remained unpaid amounted to P3,698,775 in 2024 and P3,187,500 in 2023. (See Note 14.)

#### Insurance Premium Reserves (IPR)

IPR represents the amount set aside to pay for premiums of insurance coverage for fully paid planholders accrued as additional liabilities of the Company. The required reserves has been certified by the Consulting Actuary to be in accordance with commonly accepted actuarial standards and with the Guidelines and Standards of the Actuarial Society of the Philippines. (See Note 12 for the funding of the reserves.)

The movements of the reserves during the year are as follows:

	Pre-Need Reserves	Insurance Premium Reserves	Total
Provisions during 2018	₽3,338,969	₽174,413	₽3,513,382
Provisions during 2019	9,075,080	558,007	9,633,087
Provisions during 2020	14,803,241	754,691	15,557,932
Provisions during 2021	25,458,408	1,071,515	26,529,923
Provisions during 2022	41,261,908	1,767,659	43,029,567
Provisions during 2023	59,111,088	2,345,093	61,456,181
Balances as of December 31, 2023	153,048,694	6,671,378	159,720,072
Provisions during 2024	74,515,222	2,738,524	77,253,746
Balances as of December 31, 2024	₽227,563,916	₽9,409,902	₱236,973,818

# Note 16 Retirement Benefit Obligation

The Company's employees are provided with separation benefits at retirement in accordance with the provisions of R.A. 7641. The defined benefit plan is based on an employee's one-month base pay for each year of service based on his/her salary provided that he/she has rendered an aggregate of at least 5 years of service with the Company. The legal obligation to pay the retirement benefits remains with the Company. The Company's defined benefit retirement plan covers all regular full—time employees with at least five (5) years of service. It has no other continuing post—employment benefit program in place. There were no plan amendments, curtailment, or settlement recognized as of December 31, 2024.

The amounts recognized in the statement of financial position at the end of the year are as follows:

December 31,	2024	2023
Present value of benefit obligation	₽3,447,236	₽3,024,920
Fair value of plan assets	(2,949,128)	–
Net pension asset based on actuarial computation	₽498,108	₽3,024,920

The movements in the present value of defined benefit obligation are as follows:

December 31,	2024	2023
Opening balances	₱3,024,920	₽1,628,499
. •		, ,
Current service costs	38,820	907,836
Interest costs	148,510	115,957
Remeasurement losses (gains) during the year	234,986	372,628
Ending balances	₽3,447,236	₽3,024,920
Movements in the Fair Value of Plan Assets		
December 31,	2024	2023
Opening balances	₽_	₽_
Contributions during the year	2,494,128	_
Closing balances	₱2,494,128	₽-
	,	
Components of Retirement Expense in the Statement of Profit or Loss:		
Current service cost	₽38,820	₽907,836
Interest cost on benefit obligation	148,510	115,957
	₱187,330	₽1,023,793

Components of Retirement Benefit Costs Recognized in OCI represent actuarial loss on defined benefit obligation amounting to ₱234,236 for 2024 and ₱372,628 for 2023.

# <u>Principal Assumptions Used to Determine Pension Obligation</u>

Discount rate	6.14%
Salary increases rate	4.00%
Average expected working lives of employees	15 years

The sensitivity analysis below has been determined based on reasonable possible changes of each significant assumption on the defined benefit obligation as of December 31, 2024, assuming all other assumptions were held constant.

	Increase (Decrease)	Amount	
Discount rate	1%	(₽427,517)	
	-1%	526,334	
Future salary increase rate	1%	497,586	
	-1%	(412,586)	

Shown below is the maturity analysis of the expected future benefit payments as of December 31, 2024.

Year	Amount	Year	Amount
2025	₽371,390	2028	₽663,487
2026	49,608	2029	105,962
2027	76,774	2030 and up	44,663,063

Note 17 Share Capital

The Company's share capital consists of the following:

December 31,	2024	2023
Ordinary (Common) Shares Authorized – 150 million shares, ₱1.00 par value Issued and outstanding: 140,683,938 shares in 2024; 138,683,938 in 2023	₱140,683,938	₽138,683,938
<u>Preference Shares</u> Authorized – 200 thousand shares, ₽100.00 par value		
Issued and outstanding: 198,000 shares in 2024 and 198,000 in 2023	19,800,000	19,800,000
Total Share Capital	₱160,483,938	₽158,483,938

#### Deposits for Future Subscriptions

The Company's authorized ordinary (common) capital stock has been fully subscribed by shareholders at the end of 2018. The Company initiated actions to increase its authorized capital. In the meantime, additional investments from shareholders were accepted as deposits, totaling P5 million and P7 million (net of withdrawals) at the end of 2024 and 2023. In accordance with SEC rules and pertinent provisions of the Corporation Code and PAS/IAS 32 *Financial Instruments: Presentation*, the deposits are treated as part of current liabilities.

Initially, the deposits for future subscriptions were non-interest-bearing deposits. During 2023, the Board of Directors approved to subject the deposits with interest rate of 5.5% per annum. Accordingly, the Company recorded interest expense of P614,211 in 2024 and P110,000 in 2023 for the deposit.

#### Dividend Distribution

On March 19, 2024 and June 7, 2023, the Board of Directors and stockholders approved the release of cash dividends amounting to ₱4,209,809 and ₱8,371,689, respectively.

#### Appropriated Retained Earnings

During their meeting on June 7, 2023, the Board of Directors approved to appropriate from the Company's adjusted retained earnings at each end of the year certain percentages of the retained earnings intended for the following funds: (a) corporate reserve fund; (b) land and building fund and (c) corporate social responsibility fund. The appropriations should be retroactive to 2022. During their meeting on March 11, 2025 and March 19, 2024, the Board of Directors approved additional appropriations for the same funds totaling ₱5.7 million and ₱2.6 million from the retained earnings of 2024 and 2023, respectively.

The following is the accounting of the appropriations:

December 31, 2024	Opening Balances	Additions (Reversals)	Closing Balances
Cornerate recentle fund	₽2,858,451	₽811,763	₽3,670,214
Corporate reserve fund	, ,	,	, ,
Land and building fund	1,572,116	4,725,665	6,297,781
Corporate social responsibility fund	673,764	221,082	894,846
	₽5,104,331	₽5,758,510	₱10,862,841
December 31, 2023			
Corporate reserve fund	₽1,360,188	₽1,498,263	₽2,858,451
Land and building fund	780,008	792,108	1,572,116
Corporate social responsibility fund	334,289	339,475	673,764
	₽2,474,485	₽2,629,846	₽5,104,331

#### Compliance with Capitalization Requirements

In accordance with the provisions of Section 9 of R. A. 9829, An Act Establishing the Pre-Need Code of the Philippines and in the Insurance Commission Circular Letter 2019-50, a pre-need company incorporated after the effectivity of the Code shall have a minimum paid-up capital of P100 million. The Company has complied with this requirement by having authorized common share capital of ₽150 million and paid-up capital of ₽140,683,938 and ₽138,683,938 at the end of 2024 and 2023, respectively. The Company also has authorized preference shares of P20 million of which P19.8 million have been fully paid at the end of 2024 and 2023. Additionally, the Company accepted deposits for future stock subscriptions which will eventually augment its capitalization to comply with the requirements of R.A. 9829.

Overall, the Company's share capital and deposit for future subscriptions totaled ₱165,483,938 and P163,483,938 at the end of 2024 and 2023, respectively, clearly surpassing the required minimum capitalization of a pre-need company.

#### Capital Management Objectives, Policies and Procedures

The Company maintains a certain level of capital to ensure sufficient solvency margins and to adequately protect its planholders. The level of capital maintained is higher than the minimum capital requirements of the IC. The Company considers the entire equity in determining the capital. The Company manages its capital to ensure that it has the ability to continue as a going concern while maximizing the return to shareholders. The Company's Board of Directors regularly reviews its capital structure on the basis of the carrying amount of equity, less cash and cash equivalents, as presented on the face of the statement of financial position. As a part of this review, the Board of Directors considers the cost of capital and the risks associated with each class of capital.

#### Disclosures Required Under Revised SRC Rule 68 (2019 Version)

As at December 31, 2024, the Company has six (6) shareholders owning 100 or more ordinary (common) and preference shares each.

#### Note 18 Profit of Trust Fund - Life Plan

The accounting of the profit and loss of Trust Fund – Life Plan follows:

Years Ended December 31,	2024	2023
Lancar from Secretary of Florida and Articles	D45 547 500	D0 000 000
Income from investment of trust fund (Note 11)	₱15,517,529	₽8,306,690
Final taxes on investment income	(3,103,506)	(1,661,338)
Profit for the year	₽12,414,023	₽6,645,352
Note 19		
Details of Premium Revenue		
Version Finds of December 24	2024	2022

Years Ended December 31,	2024	2023
Realized gross premium income	₽75,851,149	₽73,297,630
Amortization	6,681,676	6,489,104
Discount on spot cash	(5,544,000)	(4,464,000)
Net	76,988,825	75,322,734
Allocation for trust fund contributions	103,143,032	86,205,043
Total Receipts	180,131,857	161,527,777
Value-added taxes	(8,248,495)	(8,107,378)
Net Premium Revenue	₱171,883,362	₽153,420,399

The trust fund contributions for 2024 and 2023 are not equal to the total contributions cited in Note 11 due to the deposits made in 2023 and 2022 to fund the pre-need reserves computed on a monthly basis done by the Company.

The reconciliation is as follows:

Years Ended December 31,	2024	2023
Trust fund contributions per books	₱103,143,032	₽86,205,043
Contributions made in December 2022 deposited on January 2023	_	7,129,000
Contributions made in December 2023 deposited on January 2024	14,192,627	(14,192,627)
Contributions made in December 2024 deposited on January 2025	(15,236,808)	_
Trust fund contributions per bank	₱102,098,851	₽79,141,416

The network of primary and secondary cooperatives who are members of CLIMBS Life and General Insurance Cooperative act as agents of the Company in generating the premium revenue. Collection costs, representing commissions paid to agents, amounted to ₱25,802,644 in 2024 and ₱31,087,336 in 2023.

Note 20
<b>Details of Investments Income</b>

Years Ended December 31,	2024	2023
Income from externally managed funds (Note 10)	₽3,665,286	₽3,137,880
Interest income from investment in debt securities (Note 10)	3,618,168	4,469,782
Interest income from cash and cash equivalents (Note 5)	1,117,453	45,428
	₽8,400,907	₽7,653,090

The investments income are presented at gross of final taxes of 20%. The final taxes thereon are presented as part of the income tax expense – current. (See Note 24.)

Note 21	
Potable of Other Direct Costs	an

Details of Other Direct Costs and Expenses		
Years Ended December 31,	2024	2023
Insurance	₽3,642,252	₽3,341,598
Royalty fees	898,585	806,528
Licensing fees amortized on plans issued (Note 7)	179,346	160,766
	₽4,720,183	₽4,308,892

#### Note 22 Details of Salaries, Wages and Employees' Benefits

2024	2023
B44 007 040	D40 207 402
₽14,987,046	₽12,397,183
9,024,880	4,968,182
1,358,667	1,311,045
187,330	1,023,793
₽25,557,923	₽19,700,203
	P14,987,046 9,024,880 1,358,667 187,330

Note 23
<b>Details of General and Administrative Expenses</b>

Years Ended December 31,	2024	2023
Promotions and networking	₽4,546,890	₽4,699,622
Travel and transportation	3,888,976	2,098,586
Meetings and conferences	2,189,842	2,995,858
Office supplies	1,738,987	1,466,457
Repairs and maintenance	793,354	683,173
Taxes and licenses	785,509	647,338
Interest expense on deposits for future stock subscriptions (Note 17)	614,211	110,000
Dues and subscriptions	520,217	307,309
Utilities	512,996	283,094
Professional fees	471,905	1,480,597
Communication	379,546	432,168
Freight	294,587	202,125
Donations	280,065	230,150
Interest expense on lease liability (Note 9)	278,976	231,357
Insurance	252,636	123,614
Rent (Note 9)	204,004	885,264
Penalties and Fines	94,257	_
Bank charges	33,820	22,521
Provision for impairment losses (Note 6)	26,341	91,863
Supervision	16,321	4,245
Training and seminars	9,000	_
Miscellaneous	20	962
	₱17,932,460	₽16,996,303

#### Note 24 Income Tax Expense

The income tax expenses for 2024 and 2023 were computed based on the provisions of Revenue Regulations No. 5-2021, 'Corporate Recovery and Tax Incentives for Enterprises Act' (CREATE), Which Further Amended the National Internal Revenue Code (NIRC) of 1997.'

Under CREATE, the corporate income tax rate was changed from the fixed rate of 30% of taxable income to a choice of 20% or 25% of taxable income depending on certain parameters involving the amount of taxable income and net amount of total assets less the value of land. The MCIT computation has likewise changed from 2% to 1% of gross income up to July 2023 after which it reverted to 2% of gross income.

#### Income Tax Expense – Current

The income tax expense – current is composed of the following:

Years Ended December 31,	2024	2023
Compared Income Toy	B455 000	D4 004 700
Corporate Income Tax	<b>₽</b> 455,088	₽1,891,780
Final taxes on trust fund income (Note 18)	3,103,506	1,661,338
Final taxes on investments income (Note 20)	1,680,181	1,530,618
Minimum Corporate Income Tax (MCIT)	_	
Income Tax Expense – Current	₽5,238,775	₽5,083,736

The disproportionate relationships between the profit before income tax expense and the income tax expense –

current is due mainly to income from investments which was deducted from profit income before tax expense since this was already subjected to the final tax of 20%.

Computation of Income Tax Expense – Regular Rate		
Years Ended December 31,	2024	2023
T	D0 000 004	DE 740 000
Tax at statutory rate (25%)	₽6,220,261	₽5,740,029
Additions (deductions) resulting from: (stated at 25% tax rate)		
Depreciation of right-of-use asset (Note 9)	529,288	274,948
Interest expense on lease liability (Note 9)	69,744	57,839
Rent expense (Note 9)	(556,844)	(314,625)
Increase in provision for ECL (Note 6)	6,585	22,966
Accounts written-off (Note 6)	-	(34,065)
Investment income (Notes 18 and 20)	(5,979,609)	(3,989,945)
Provision for retirement benefits (Note 16)	46,833	255,948
Effect of application of NOLCO	_	(121,314)
Income Tax Expense	₽336,258	₽1,891,781
•	3	
Minimum Corporate Income Tax (MCIT)		
<u> </u>	2024	2022
Years Ended December 31,	2024	2023
,	11	
Gross Revenue	₱171,883,362	₽153,420,399
Gross Revenue Cost of Services	P171,883,362 (149,128,953)	
Gross Revenue	₱171,883,362	₽153,420,399
Gross Revenue Cost of Services Total Gross Profit	P171,883,362 (149,128,953) P22,754,409	₽153,420,399 (127,762,612) ₽25,657,787
Gross Revenue Cost of Services	P171,883,362 (149,128,953)	₽153,420,399 (127,762,612)
Gross Revenue Cost of Services Total Gross Profit  Tax due at MCIT (2% for 2024; 1.5% for 2023)	P171,883,362 (149,128,953) P22,754,409	₽153,420,399 (127,762,612) ₽25,657,787
Gross Revenue Cost of Services Total Gross Profit  Tax due at MCIT (2% for 2024; 1.5% for 2023)  Income Tax Payable	P171,883,362 (149,128,953) P22,754,409 P455,088	P153,420,399 (127,762,612) P25,657,787 P384,867
Gross Revenue Cost of Services Total Gross Profit  Tax due at MCIT (2% for 2024; 1.5% for 2023)	P171,883,362 (149,128,953) P22,754,409	₽153,420,399 (127,762,612) ₽25,657,787
Gross Revenue Cost of Services Total Gross Profit  Tax due at MCIT (2% for 2024; 1.5% for 2023)  Income Tax Payable	P171,883,362 (149,128,953) P22,754,409 P455,088	P153,420,399 (127,762,612) P25,657,787 P384,867
Gross Revenue Cost of Services Total Gross Profit  Tax due at MCIT (2% for 2024; 1.5% for 2023)  Income Tax Payable December 31,	P171,883,362 (149,128,953) P22,754,409 P455,088	₽153,420,399 (127,762,612) ₽25,657,787 ₽384,867
Gross Revenue Cost of Services Total Gross Profit  Tax due at MCIT (2% for 2024; 1.5% for 2023)  Income Tax Payable December 31,  Tax due at RCIT	P171,883,362 (149,128,953) P22,754,409 P455,088 2024 P336,258	P153,420,399 (127,762,612) P25,657,787 P384,867 2023 P1,891,781
Gross Revenue Cost of Services Total Gross Profit  Tax due at MCIT (2% for 2024; 1.5% for 2023)  Income Tax Payable December 31,  Tax due at RCIT Tax due at MCIT	P171,883,362 (149,128,953) P22,754,409 P455,088 2024 P336,258 455,088	P153,420,399 (127,762,612) P25,657,787 P384,867 2023 P1,891,781 384,867
Gross Revenue Cost of Services Total Gross Profit  Tax due at MCIT (2% for 2024; 1.5% for 2023)  Income Tax Payable December 31,  Tax due at RCIT Tax due at MCIT Tax due (higher of RCIT or MCIT)	P171,883,362 (149,128,953) P22,754,409 P455,088 2024 P336,258 455,088	P153,420,399 (127,762,612) P25,657,787 P384,867 2023 P1,891,781 384,867 1,891,781
Gross Revenue Cost of Services Total Gross Profit  Tax due at MCIT (2% for 2024; 1.5% for 2023)  Income Tax Payable December 31,  Tax due at RCIT Tax due at MCIT Tax due (higher of RCIT or MCIT) Excess MCIT applied this current taxable year	P171,883,362 (149,128,953) P22,754,409 P455,088 2024 P336,258 455,088	P153,420,399 (127,762,612) P25,657,787 P384,867 2023 P1,891,781 384,867 1,891,781 (205,591)

#### Note 25 Related Party Transactions

In the ordinary course of trade or business, the Company has transactions with related parties which include its directors, officers, related interests and employees and affiliated entities. These transactions were made substantially on the same terms and conditions as with other parties. None of the transactions incorporate special terms and conditions and no guarantee is given or received. Outstanding balances are usually settled in cash. The Company has no associates or joint venture projects.

The significant related party transactions are summarized below:

a) The Company is a lessee to the building owned by its major stockholder. The lease, which is presented in the books of the Company as right-of-use asset and lease liability, required the Company to deposit advance rental of ₱307,700 and to settle the monthly fixed rental during the first week of each month. Total lease expenses incurred amounted to ₱1,181,734 for 2024 and ₱921,900 for 2023. (See Note 9.)

b) The major stockholder also undertook the financing of some of the significant events in organizing the Company, thereby incurring receivables from the Company amounting to ₱2,725,714 and ₱2,781,893 by the end of 2024 and 2023. (See Note 14.) The transactions with the major stockholder during the year, including the leasing transactions discussed in a) above, is as follows:

Years Ended December 31,	2024	2023
Opening balances Additional charges incurred	₱2,781,893 1,315,467	₽2,576,194 1,223,688
Payments made	(1,371,646)	(1,017,989)
Closing balances	₱2,725,714	₽2,781,893

- c) Stockholders are also providing the mortuary services required under the life plan policies. Total payments for services rendered amounted to ₱8,092,000 in 2024 and ₱7,101,450 in 2023.
- d) The major stockholder is a federation of cooperatives, whose members are the direct agents of the Company. Total commissions paid to agents, treated as collection costs in the books, amounted to ₱25,802,644 in 2024 and ₱31,087,336 in 2023. (See Note 19.)
- e) The key management compensation follows:

Years Ended December 31,	2024	2023
Salaries and wages Honoraria	₱2,637,050 1,178,377	₽2,405,000 1,081,080
Employee benefits	1,194,820	1,176,820
	₽5,010,247	₽4,662,900

#### Note 26 Computation of the Earnings Per Common Share

For purposes of computing the earnings per share, the following accounting of the profit for the year for the unrestricted earnings is presented:

Carninga	Darc	Irdinory	(Common	Chara
Farnings	Per C	ıraınarv	исоттоп	i Snare

Years Ended December 31,	2024	2023
Profit for the year per statement of profit or loss Profit for the year of trust fund – life plan (Note 18)	₱20,097,357 (12,414,023)	₽17,876,378 (6,645,352)
Profit for the year, unrestricted	7,683,334	11,231,026
Weighted average number of common shares  Earnings Per Common Share	158,817,271 ₽0.05	157,685,120 ₽0.07

## Note 27 Fair Value Measurements

For financial assets and financial liabilities with fair values included in Level 1, management considers that the carrying amounts of those short-term financial instruments equal their fair values. The fair values of the financial assets and financial liabilities included in Level 3 above which are not traded in an active market is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after considering the related credit risk of counterparties or is calculated based on the expected cash flows of the underlying net asset base of the instrument. When the Company uses valuation technique, it maximizes the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an

instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

#### Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The following table summarizes the fair value hierarchy of the Company's financial assets and financial liabilities which are not measured at fair value in the statement of financial position but for which fair value is disclosed.

December 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents (Note 5)	₽54,051,161	₽_	₽_	₽54,051,161
Trade and other receivables (Note 6)	, ,	_	2,094,963	2,094,963
Investment in Trust Fund-Life Plan (Note 11)	_	_	294,058,564	294,058,564
Investments in financial instruments (Note 10)	_	_	118,432,041	118,432,041
	₽54,051,161	₽_	₽414,585,568	P468,636,729
Financial liabilities				_
Trade and other payables (Note 14)	₽_	₽_	₽50,411,879	₽50,411,879
Deposits for future subscriptions (net) (Note 17)	_	_	5,000,000	5,000,000
	₽_	₽_	₽55,411,879	₽55,411,879
December 31, 2023				_
Financial assets				
Cash and cash equivalents (Note 5)	₽43,148,756	₽_	₽_	₽43,138,756
Trade and other receivables (Note 6)	, , , <u> </u>	=	3,063,581	3,063,581
Investment in Trust Fund-Life Plan (Note 11)	_	_	197,834,896	197,834,896
Investments in financial instruments (Note 10)	-	_	135,842,965	135,842,965
	₽43,138,756	₽_	₽336,741,442	₽379,880,198
Financial liabilities				
Trade and other payables (Note 14)	₽_	₽_	₽44,532,588	₽44,532,588
Deposits for future subscriptions (Note 17)	_	_	7,000,000	7,000,000
	₽_	₽_	₽51,532,588	₽51,532,588

The Level 3 fair value of the property and equipment was determined using the cost approach that reflects the cost to a market participant to acquire such assets. These inputs were derived from various suppliers' quotes, and price catalogues. Under this approach, higher estimated costs used in the valuation will result in higher fair value of the assets.

#### Fair Value Measurement for Non-Financial Assets

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis as of December 31, 2024 and 2023.

December 31, 2024	Level 1	Level 2	Level 3	Total
Prepaid expenses (Note 7)	₽_	₽_	₽3,464,164	₱3,464,165
Property and equipment (Note 8)	_	_	7,208,033	7,208,033
Right-of-use asset (Note 9)	_	_	11,095,999	11,095,999
Other non-current assets (Note 13)	_	_	1,474,721	1,474,721
	₽_	₽_	₽23,242,917	₱23,242,917
December 31, 2023				,
Prepaid expenses (Note 7)	₽_	₽_	₽3,116,567	₽3,116,567
Property and equipment (Note 8)	_	_	7,455,505	7,455,505
Right-of-use asset (Note 9)	_	_	3,365,978	3,365,978
Other non-current assets (Note 13)	_	_	1,003,430	1,003,430
	₽_	₽_	₽14,941,480	₽14,941,480

#### Note 28

#### **Risk Management Objectives and Policies**

The Company is exposed to a variety of financial risks, which result from both its operating and financing activities. The Company's principal financial instruments are its cash and cash equivalents, trade and other receivables, investments in trust funds, corporate bonds and other reserve funds, trade and other payables, and deposit for future subscriptions. Its existing policies and guidelines cover insurance risk, credit and concentration risks, market risk, and liquidity risk. The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Company's financial performance and financial position. The Company actively measures, monitors, and manages its financial risk exposures by various functions pursuant to the segregation of duties principle.

#### Risk Management Structure

The Board of Directors is mainly responsible for the overall risk management and for the approval of risk strategies and principles of the Company. The Board of Directors also has the overall responsibility for the development of risk strategies, principles, frameworks, policies, and limits. It establishes a forum of discussion of the Company's approach to risk issues in order to make relevant decisions.

#### Insurance Risk

Insurance risk is the risk that the actual claims and benefit payments exceed the carrying amount of insurance liabilities. The Company addresses this risk by complying with IC regulations pertaining to the set-up of a trust fund - life plan. The Company signed a trusteeship agreement with BDO Unibank, Inc. - Trust and Investment Group for the management of the insurance trust fund. (See Note 11.) In addition, the Company also established the Insurance Premium Fund, (See Note 12) and invested its financial instruments to provide additional cushion. (See Note 10.)

#### Market Risks

Market risk is the possibility that changes in equity prices or interest rates will adversely affect the value of the Company's assets, liabilities or expected future cash flows. The Company has no exposure arising from complex investments since it is not engaging in high risk investments, forward contracts, hedging, and the like, whether local or foreign transactions.

The Company's trust fund – life plan managed by BDO Unibank, Inc. – Trust and Investment Group and its investments under IMA with China Banking Corporation - Trust and Asset Management Group were investments in quoted equity and debt securities, totaling ₱361,115,605 in 2024 and ₱262,156,694 in 2023, which are vulnerable to price risks. (See Notes 10 and 11.) Equity price risk arises because of fluctuations in the market prices of these securities. The Company recognized in other comprehensive income fair value gains (losses) of (₱2,593,204) in 2024 and ₱6,618,470 in 2023. (See Note 11.)

The Company's interest rate risk arises from investment in corporate bonds, as well as in time deposits with banks. The Company invested in fixed bonds and fixed rate deposits to mitigate the risks. The Company is not exposed to foreign currency risks as it has no assets nor liabilities denominated in foreign currency.

#### Credit and Concentration Risks

Credit risk refers to the risk that the counterparty will default and/or not honor its financial or contractual obligations resulting in financial losses to the Company. The receivable balances are monitored on an ongoing basis with the result that the Company's exposure to impairment is not significant. The investments are placed in strong financial institutions and are regularly monitored. The Company deals only with creditworthy counterparties duly approved by the Board of Directors. Its maximum exposure to credit risk for the components of the statement of financial position as of December 31, 2024 and 2023 is their carrying amounts as shown below: (Please see table next page.)

December 31,	2024	2023
Cash and cash equivalents (Note 5)	₽54,051,161	₽43,138,756
Trade and other receivables (Note 6)	2,094,963	3,063,581
Investment in Trust Fund – Life Plan (Note 11)	294,058,564	197,834,896
Investments in financial instruments (Note 10)	118,432,041	135,842,965
	₽468,636,729	₽379,880,198

The tables below show the credit quality by class of financial assets based on the Company's rating system:

December 31, 2024	High Grade	Standard Grade	Impaired	Total
Cash and cash equivalents (Note 5)	₽54,051,161	₽_	₽_	₱54,051,161
Trade and other receivables (Note 6)	2,094,963			2,094,963
Investments in fin. instruments (Note 10)	118,432,041			118,432,041
Investment in Trust Fund-Life Plan (Note 11)	294,058,564			294,058,564
	₽468,636,729	₽_	₽_	P468,636,729
December 31, 2023				
Cash and cash equivalents (Note 5)	₽43,138,756	₽_	₽_	₽43,138,756
Trade and other receivables (Note 6)	3,063,581			3,063,581
Investments in fin. instruments (Note 10)	135,842,965			135,842,965
Investment in Trust Fund-Life Plan (Note 11)	197,834,896			197,834,896
	₽379,880,198	₽_	₽_	₽379,880,198

Financial instruments classified as 'high grade' are those cash transacted with reputable local banks and receivables with no history of default on the agreed contract terms. Financial instruments classified as 'standard grade' are those receivables from parties who need to be reminded of their duties. No financial assets were deemed by management as impaired.

#### Liquidity Risks

The Company is likewise exposed to liquidity risk, the risk that it will encounter difficulty in meeting its obligations as they become due without incurring unacceptable losses or costs. The Company's objectives to manage its liquidity profile are: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost. The Company manages its liquidity by carefully monitoring its scheduled servicing payments for financial liabilities as well as its cash flows due on its day-to-day business.

The maturity profile of the Company's financial liabilities is as follows:

December 31, 2024	Due in 1 Year	Due Over 1 Year	Total
Trade and other payables (Note 14)	₽50,411,879	₽_	₽50,411,879
Deposits for future subscriptions (Note 17)	5,000,000	_	5,000,000
	₽55,411,879	₽_	₱55,411,879
December 31, 2023			_
Trade and other payables (Note 14)	₽44,532,588	₽_	₽44,532,588
Deposits for future subscriptions (Note 17)	7,000,000	_	7,000,000
	₽51,532,588	₽_	₽51,532,588
<u> </u>			

#### Note 29 Authorization of Financial Statements

The financial statements of Cosmopolitan CLIMBS Life Plan, Inc. for the period ended December 31, 2024 were authorized for issue by its President and CEO on April 11, 2025.

#### Note 30 Details of Taxes, Licenses and Fees

In accordance with Revenue Regulation 15-2010, the Company discloses the following information regarding taxes, licenses and fees paid during the year:

Years Ended December 31,	2024	2023
Business permit and licenses	₽493,949	₽473,338
IC registration fees	261,470	171,700
Legal, notarial fees and others	30,090	2,300
	₱785,509	₽647,338

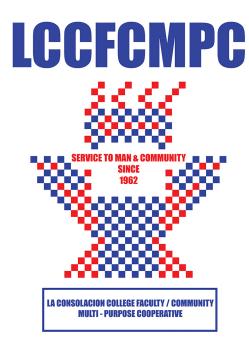
## CCLPI Plans Operational Target and Budget 2025



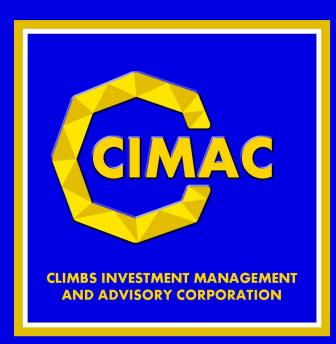
### COSMOPOLITAN CLIMBS LIFE PLAN, INC. OPERATIONAL TARGET AND BUDGET

	2025 Target and Budget	Cents per Peso Revenue	2024 Actual YTD	Cents per Peso Revenue	2024 Target and Budget	Cents per Peso Revenue
New Sales	211,200,000	0.63	69,930,510	0.38	120,000,000	0.40
Recurring Sales	105,616,660	0.31	109,063,671	0.59	173,842,340	0.58
Premium Revenue	316,816,660	0.94	178,994,181	0.97	293,842,340	0.98
Amortization Income	15,056,428	0.04	6,681,676	0.04	12,357,389	0.04
Spot Cash Discount	(1,835,100)	(0.01)	(5,544,000)	(0.03)	(9,600,000)	(0.03)
Other Income	5,438,729	0.02	3,771,909	0.02	3,254,620	0.01
Total Revenue	335,476,717	1.00	183,903,766	1.00	299,854,349	1.00
Reserves	125,190,687	0.37	77,253,746	0.42	113,106,632	0.38
Commissions and Other Costs	118,903,991	0.35	47,113,695	0.26	106,552,596	0.36
VAT Expense	22,786,696	0.07	8,248,495	0.04	21,426,653	0.07
Total Direct and Other Costs	266,881,374	0.80	132,615,936	0.72	241,085,881	0.80
Gross Margin	68,595,343	0.20	51,287,830	0.28	58,768,468	0.20
Salaries, Wages and Employees' Benefits	30,347,728	0.09	23,851,646	0.13	27,867,984	0.09
Administrative and Marketing Expenses	22,592,089	0.07	19,029,656	0.10	19,073,680	0.06
Depreciation and Amortization	7,653,451	0.02	7,443,920	0.04	4,402,931	0.01
Total Operating Expenses	60,593,268	0.18	50,325,221	0.27	51,344,595	0.17
Operating Income	8,002,075	0.02	962,609	0.01	7,423,873	0.02

## CCLPI Plans 8th Annual Stockholders' Meeting Sponsors

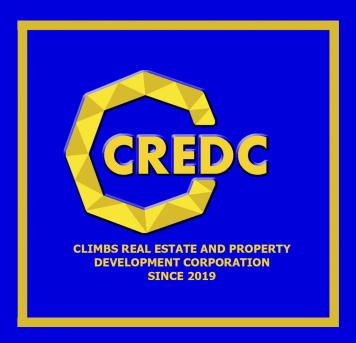






CLIMBS Investment Management & Advisory Corp.

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**CLIMBS Building Tiano-Pacana Sts., Brgy. 11,** Cagayan de Oro City Contact No.: 0977 810 1343

n order to meet the needs of cooperative printing, a group of cooperative leaders led by the late Atty. Mordino R. Cua got together in 2007 and decided to set up a printing press. Consequently, the National Federation of Cooperatives Primaries in the Philippines (NAFECOOP Printing Press) was registered. It began operations in October 2012 with just two machines, but thanks to the contributions of our partner cooperatives, we have been able to expand our business and acquired more machines.

The printing press needed to raise money for growth and expansion as the epidemic struck in 2020. By doing so, it may be in a better position to obtain economies of scale, streamline operations, and respond more effectively to market opportunities and challenges.



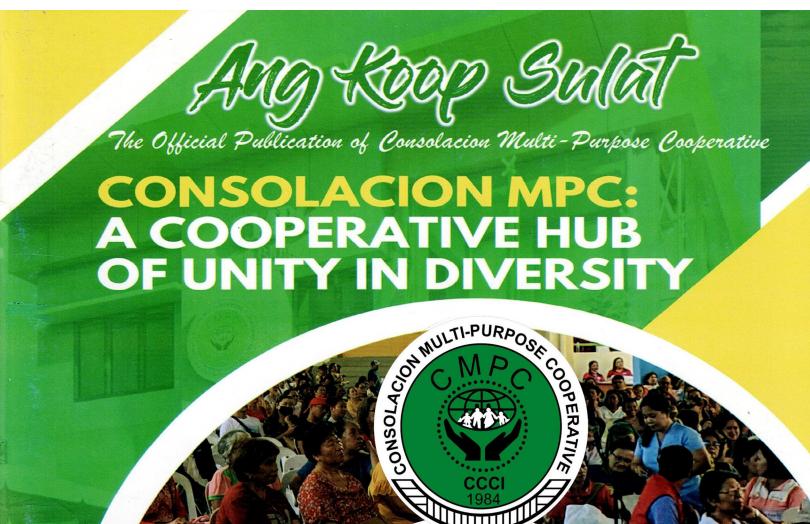
In July 2020, NAFECOOP Printing Press was incorporated under the name Climbs Printing Press and Publishing Corporation and eventually became a subsidiary of Climbs Life and General Insurance Cooperative.

Though we have transitioned from a cooperative to a corporation, our commitment to cooperativism remains unwavering. We are dedicated to upholding the principles of democratic governance, member empowerment, and community service that have guided us from the beginning.

Our primary goal is to continuously provide high-quality printed materials. This includes sharp images, accurate colors, and clean text, all of which contribute to customer satisfaction and loyalty. We aim to optimize our processes to maximize efficiency and productivity. This involves minimizing downtime, reducing waste, streamlining workflows, and investing in technology and equipment that enhance throughput. We aspire to be recognized as a leader in the printing industry, continuously pushing boundaries and achieving new heights of success.









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for training and program registration fees, as well as other related expenditures.



for in-house training and program registration fees, as well as other related expenditures

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Appliance/Bldg Loan **Special Loan Regular Loan** Maxi Loan Instant Loan **Coop Guaranteed Loan Back to Back Loan** Loan Against Dividend **Educational Loan** 

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Lot or House and Lot Loan Car Loan **Pension Loan** Loan Against Fixed Deposit (Reg) Loan Against Fixed Deposit (Maxi) **Insurance Loan Cosmo Climbs Life Insurance Loan Group Investment Loan Home Improvement Loan** 

24% p.a 24% p.a 12% p.a 14.4% p.a 18% p.a 24% p.a 12% p.a 24% p.a 0% (raffles every year) 12% p.a. 7% - 9% p.a 10% - 12% p.a 18% p.a 12% p.a 14.4% p.a 12% p.a 0% p.a

12% p.a

12% p.a

1yr. Lock in

3yr. Lock in

3.50% p.a - 4.00% p.a - 4.50% p.a

3.75% p.a - 4.25% p.a - 4.75% p.a

4.00% p.a - 4.50% p.a - 5.00% p.a

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5yr. Lock in

**Regular Savings Birthday Savings Retirement Savings Memorial Fund College Fund Maternity/Paternity Fund Wedding Fund** 



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0.00% p.a 1.00% p.a 1.75% p.a 271 days - less than 365 1.50% p.a



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#### Leasing

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#### Real Estate Mortgage

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#### Makati

4/F unit 407 Greenbelt Mansion, Perea St., Legaspi Village, Makati City Tel. No. (02) 8811-3207

Cagayan de Oro

72 Schaffner Bldg., Capistrano St., Cagayan de Oro City Tel. No. (088) 856-1308

Dumaguete

Portal West Bldg., Mezzanine Flr. Rm 100, Corner Siliman Ave., & Hibbard Ave., Dumaguete City, Negros Oriental Tel. No. (035) 402-3043



### **CORE BUSINESS (LENDING AND SAVINGS)**

✓ Loan Products:
Consumption Loan
Car Loan
Real Estate Loan
Livelihood Loan
Back-to-Back Loan

✓ Savings and Investments Products:
Savings Deposit
Share Capital Contribution
Fortune Plan
Time Deposit

#### **COMPLEMENTING BUSINESSES**





























## **MASS-SPECC Cooperative Development Center**

THE OLDEST & LARGEST REGIONAL CO-OP FEDERATION IN MINDANAO

## **Sharing and Growing Together**



58

Years in Growing Co-ops into a Movement



366
Member Co-operatives



3.4M

Individual Members\* e members have multiple co-op membership

#### **INSTITUTIONAL PARTNERS**

























#### MASS-SPECC CCOP

#### MAIN OFFICE

Tiano-Yacapin Sts., Cagayan de Oro City, Philippines, 9000

**(**088) 326-4617

#### Davao Office

Anahaw Village, Anahaw Road, Ma-a, Davao City, Philippines, 8000

(084) 244-1096

#### HELPDESK

**\** 0967-448-4743

#### IASS-SPECC

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#### **☑ CONTACT US**

#### COMPANY

About Co-ops

History

Vision & Mission

Governance

## Management System ISO 9001:2018 TÜVRheinland GERT/IFIED www.tur.com ID 9100658025

















## DEPOSIT PRODUCTS WITH COMPETITIVE INTEREST

#### **Savings Deposit**

- Opening amount of Php 100
- Earn 0.375% interest p.a.

#### **ATM Account**

- Opening amount of Php 100
- Earn 0.375% interest p.a.

#### **Checking Account**

- Opening amount of Php 5,000
- Earn 0.125% interest p.a.

#### Time Deposit

- Opening amount of Php 10,000
- Up to 7% interest p.a.

## INVESTMENT STOCK Be a shareholder of MCCB

- Common stock for registered cooperatives
- Preferred stock for individual investment

## LOANS AND CREDIT SERVICES OFFERED

- SME / Business Loan
- Agricultural Loan
- Auto Loan / Truck Loan
- Consumers Loan
- Jewelry Loan
- Home Loan
- Motorcycle Loan
- Pension Loan
- Revolving Credit Line
- Salary Loan
- Travel Loan
- Loans Against Deposit















## **CLIMBS A CLIMATE INSURANCE INSURING WHERE YOU ARE**

CLIMBS was established in 1971 in Cagayan de Oro City, licensed by the Insurance Commission, and regulated by the Cooperative Development Authority. Today, CLIMBS stands as the pioneering climate insurance provider in the Philippines.

### **OUR PRODUCTS & SERVICES**



#### LIFE INSURANCE

- Coop Loan Protection Plan (CLPP)
- Family Protection Plan (FPP)
- Coop Life Savings Plan (CLSP)
- Group Yearly Renewable Term (GYRT) Group Life & Accident with Fire Insurance (GLAFI) Group Accidental Death, Dismemberment and Disablement Insurance Plus (GADDDI PLUS) Group Accidental Death, Dismemberment and Disablement Insurance (GADDDI) Coop Family Plan (CFP) Kids & Youth Secure (KYSe)

Bantay Protection for Tanod and Security Guards Coop Officers & Staff Protection Plan (COSPP) Group Employees Protection Plan (GEPP) We Protect Her (WPH)



#### **NON LIFE INSURANCE**

#### **Motorcar Insurance**

- Compulsory Third Party Liability (CTPL)
- Comprehensive Motor Vehicle

#### Fire Insurance

- · Standard Fire with Allied Perils
- Prestige
- Advantage
- 12-pay Comprehensive Residential Fire Insurance **Package**

#### **Personal Accident Insurance**

- Keyman
- Coop AKSI
- PaTxt15
- Student Personal Accident Insurance
- Travel Personal Accident Insurance
- Money, Securities & Payroll Robbery (MSPR)
- Fidelity Guarantee
- Surety Bond
- -Electronic Equipment Insurance (EEI)
- -Marina Compulsory Insurance (Vessel Passengers Group Personal Insurance)



#### **CAC EXCLUSIVES**

#### **Life Products**

- Kabayan Insurance (KABAYANi)
- Life and Home Assure
- 3Sure Life Insurance
- Individual Disabilty Life Ensure (IDLE)
- MyParents Protek (MPP)

#### **Non Life Products**

- TODA Accident Insurance
- Family AKSI (FAMSI) Plan
- Millennials Protek
- Love Yourself Always (LYSA)

#### WEATHER PROTECT INSURANCE

An enhanced weather protect insurance with value added benefits on smart agriculture designed for cooperatives and their farmer-members

Product Features: Covers

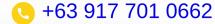




Wind Speed



Drought





www.climbs.coop



#### **COMPANY HISTORY**

#### 2015

#### STRATEGIC PARTNERSHIP FORMED

Mr. Fermin L. Gonzales, President and CEO of CLIMBS, partnered with Mr. Renato "Oly" Dychangco, owner of Cosmopolitan Funeral Homes, to bring the vision of a pre-need life plan to life.

#### 2016

#### **FOUNDED**

CCLPI Plans was registered with the Securities and Exchange Commission (SEC) on December 7, 2016.

#### 2017

#### THE BEGINNING

CCLPI officially received its Pre-Need License from the Insurance Commission on August 9, 2017, authorizing the company to offer pre-need plans to its members.

#### 2018

#### PRODUCT LAUNCHING

With the approval of its Pre-Need License, the company successfully launched the Angelica Life Plan, making it available to the general public.

#### 2019

#### **BUILDING PARTNERSHIP**

CCLPI Plans focused its energy on synergizing with the Cooperative movement, forming numerous partnerships.

#### 2020

#### RESILIENCE IN CRISIS

Despite the challenges posed by the global pandemic, CCLPI had already achieved a cumulative Gross Contract Price (GCP) of P456 million in sales to the public.

#### 2021

#### **MOMENTUM**

CCLPI Plans achieved a major milestone with P672.11 million in sales, pushing total GCP past P1 billion. To meet growing demand, the company added another P1 billion in pre-need contracts for the Angelica Life Plan, expanding its reach to more families.

#### 2022

#### AMIDST THE CHALLENGE

CCLPI faced a significant setback that marked a challenging chapter in its sales and operations. However, this adversity became a pivotal turning point—fueling reflection, resilience, and the pursuit of more strategic approaches to secure long-term growth and stability.

#### 2023

#### MOVING INTO GROWTH

The company focused on sustaining its growth by building resilience through strategic policies, operational sustainability, and proactive risk management—securing its future in the pre-need industry.

#### 2024

#### **BECOMING THE BETTER CHOICE**

CCLPI Plans continues its journey toward becoming the preferred choice by driving innovation and delivering impactful services through Angelica Life Plan. The company remains committed to meeting the evolving needs of its plan holders—reinforcing its dedication to trust, security, and meaningful connections that bring peace of mind to families and communities.

#### **AREA OFFICES**

#### **LUZON**

#### **QUEZON CITY**

Cosmopolitan Memorial Chapel 332 G. Araneta Ave., Quezon City, Philippines

**OUR OFFICES** 

#### **VISAYAS**

#### **CEBU**

SB. Cabahug St., Ibabao-Estancia, Mandaue City, Cebu, Philippines

#### **MINDANAO**

CAGAYAN DE ORO CITY (HEAD OFFICE) 4th & 5th Floor, CLIMBS Bldg., Tiano-Pacana Sts., Cagayan de Oro City, <u>Misamis Orient</u>al, Philippines

#### AREA SALES REPRESENTATIVES

#### QUEZON PROVINCE

Brgy. Bagong Buhay, Gumaca, Quezon Province

#### **BATANGAS**

SF Batangas City Branch- Gov. Antonio Carpio Rd., Sitio Silangan, Batangas City, Philippines

#### MINDORO

SF Calapan Branch- M. Roxas Drive. Libis, Calapan City, Oriental Mindoro, Philippines

#### BACOLOD

3rd Floor Door #7 LCCFCMPC Bldg., Gatuslao St.,Bacolod City, Philippines

#### **DAVAO**

2nd Floor, RBT Bldg., Ilustre St., Davao City

#### BUTUAN

ANTRECCO Main Office, Brgy. Dagohoy, JP Rosales Ave., Butuan City, Agusan del Norte,

#### **GENERAL SANTOS**

2nd floor, SAFI 4 Building, Room 202, Quezon Ave., Brgy. Dadiangas, West General Santos City

