

CLIMBS Life and General Insurance Cooperative

2021 ANNUAL REPORT

Celebrating



YEARS OF SERVICE

CLIMBS @50: *Beyond Numbers, Beyond Borders*

VISION

A leading cooperative insurer for the grassroots of the Philippine population.

MISSION

To provide innovative technology-driven insurance.

To offer risk management solutions primarily to cooperatives in the Philippines and to support their growth.

CORE VALUES

- We uphold the universal Cooperative Values and Principles.
- We share the core values of Family, Health, Trust, Respect, Communication and Transparency.
- We instill dependability and fairness and work for sustainability.
- We innovate to be efficient and technology friendly in our ways of insuring.
- We enhance strong partnerships to achieve common goals and promote common interest.
- We customize products that will effect resiliency among the communities we serve.
- We care for the protection of the environment

Cooperative Values

- Self-help
- Self-responsibility
- Democracy
- Equality
- Equity
- Solidarity

Cooperative Principles

- Voluntary and Open Membership
- Democratic Member Control
- Member Economic Participation
- Autonomy and Independence
- Education, Training, and Information
- Cooperation among Cooperatives
- Concern for Community

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▶ MESSAGE FROM THE COMMISSIONER

Insurance Commission



CLIMBS Life and General Insurance Cooperative "CLIMBS @50: Beyond Numbers, Beyond Borders"

I am pleased to extend my greetings and commendations to CLIMBS Life and General Insurance Cooperative for the successful conduct of its 50th Annual General Assembly. The theme for this year, "CLIMBS @50: Beyond Numbers, Beyond Borders", reflects our aspirations to reach further heights and go beyond the extra mile despite the challenges and hurdles that we encountered.

Through the years, CLIMBS has played a vital role in expanding the reach of insurance protection and promoting financial inclusion among our countrymen. In its five decades of service, CLIMBS has shown its unceasing dedication in providing comprehensive insurance products and health care services to the Filipino people.

Allow me to take this opportunity to thank you for being a reliable partner of the Commission and a great contributor to the growth of the insurance industry.

As we look ahead, we are confident that the industry will set to further heights this 2022. And to guarantee this upward trend, we give you our assurance that the Insurance Commission will do its best to sustain, if not increase, its efforts in promoting the industry's growth through the issuance of sound policies and regulatory measures. Along with this, we keenly look forward to witnessing the continuous achievements of CLIMBS in the years to come. Congratulations and more power to CLIMBS!

DENNIS B. FUNA
Insurance Commissioner



▶ MESSAGE FROM THE CHAIRMAN

Cooperative Development Authority



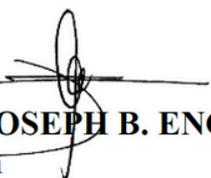
I would like to express my heartfelt gratitude to the Board of Directors, officials, and members of CLIMBS Life and General Insurance Cooperative for giving me this opportunity to be part of your 50th Annual General Assembly with the theme: “CLIMBS @ 50: Beyond Numbers, Beyond Borders”.

The year 2021 has been a year of both struggle and hope. While this pandemic has disrupted every aspect of our lives, it highlighted, more than ever, the importance of cooperativism in serving the needs of our fellow Filipinos— especially the vulnerable communities. I would like to commend all of you for continuously providing above-standard service to your growing membership. This 2022, I hope you will continue to move forward, and transform your cooperative into a

more sustainable organization as a catalyst of socio-economic development. Trust that the Cooperative Development Authority will work harmoniously with you to reach this worthy endeavor, and achieve the pinnacle of success for your members. Again, my sincerest wishes to the men and women behind the success of CLIMBS Life and General Insurance Cooperative! May you continue to light the torch of wisdom that will guide and lead you towards growth and greatness.

In the spirit of Cooperativism; aimhigh. Through unity and mutual support, you will break the barriers and go beyond the limits.

Daghang salamat at Mabuhay po kayong lahat!


USEC. JOSEPH B. ENCABO
Chairman

► MESSAGE FROM THE CHAIRPERSON

International Cooperative and Mutual Insurance Federation



Dear Friends,

On behalf of all the Secretariat of the International Cooperative and Mutual Insurance Federation (ICMIF) I am once again delighted to send our very best wishes to our member organization CLIMBS Life and General Insurance Cooperative and its members in the Philippines on the occasion of your 2022 Annual General Assembly.

We note with interest that your theme for this year will be “CLIMBS @50: Beyond Numbers, Beyond Borders” and we wish you a successful meeting as you celebrate your 50th Annual General Assembly on 8 July 2022 in Cebu City.

Everyone at ICMIF sends their congratulations to all those who work at CLIMBS for your continued great service to your members for just over five decades in the Philippines.

Through our many interactions we have been delighted to learn about the work of CLIMBS and the insurance products that are developed specifically to fit the needs of your cooperative members, especially the marginalised poor and which will help them live better lives. This will have been particularly challenging due to the ongoing Covid-19 pandemic and we commend you and all the team at CLIMBS for your strong commitment to policyholders and local communities.

We were delighted to publish a news story on the ICMIF website about the launch of the enhanced Weather Protect Insurance product for farmers and agripreneurs in association with global partners IBISA (Luxembourg), also an ICMIF member; Global Parametrics; and CIAT

(International Centre for Tropical Agriculture).

We are pleased that ICMIF has also been supporting the collaboration through the provision of technical assistance.

Last year, we were saddened to learn that Typhoon Odette devastated many parts of the region of Northern Mindanao in the Philippines, badly affecting the livelihoods of the farmers and agripreneurs who are vulnerable and at risk when it comes to natural calamities. CLIMBS Life and General Insurance Cooperative, however, remained faithful to its promise of "Helping Cooperatives and Agripreneurs Build Resilient & Sustainable Communities and Climate Action through Digital Solutions", and gave these farmers assistance with the payment of the first claims through the enhanced Weather Protect Insurance product.

We note also that, on 3 January 2022, CLIMBS President and CEO, Mr Noel D. Raboy and his team personally handed over the very first Weather Protect Insurance claim payment to the Mindanao Consolidated Cooperative Bank (MCCB), one of the five pilot cooperatives of CLIMBS's enhanced Weather Protect Insurance. It was received by MCCB President, Ms Myrna Sescon and Chairperson, Attorney Isidro Lico with gratitude and appreciation.

On 5 January 2022, Mr Raboy and his team also handed over a Weather Protect Insurance claim payment to Carmen Samahang Nayon Multi-Purpose Cooperative, another pilot cooperative.

We know that many Filipino farmers had previously not had access to insurance for their crops even though they are vulnerable to weather risk. Driven by a desire to help close this gap, CLIMBS' agricultural insurance product was purposefully designed with sustainability and inclusive protection in mind. It is an innovative solution using blockchain technology with a unique feature on smart agriculture to help build resilience and sustainability among farmers and agripreneurs.

We understand that the Weather Protect Insurance is a part of CLIMBS's contribution to the #Coops2030 campaign which seeks to address the United Nations' Sustainable Development Goals (SDGs), particularly: Goal 1 – No Poverty; Goal 2 – Zero Hunger; Goal 9 – Industry, Innovation and Infrastructure; Goal 12 – Responsible Consumption and Production; Goal 13 – Climate Action; and Goal 17 – Partnership for the Goals. This is a truly great achievement and proof of both CLIMBS' success and ongoing strong commitment to its members.

Despite the challenges of the ongoing pandemic over the last two years, we are pleased that 2021 saw another good year of engagement between our two organisations and we were delighted to welcome many delegates from CLIMBS to our ICMIF webinars over the last year and also to have members of your team take part in our new Mutual Leadership: Adapting to a Complex World online course and its alumni group MC2. Also, we were delighted to welcome some of you to our Virtual Roundtables for Strategy Leaders and the ICMIF Young Leaders - Virtual Roundtables with CEOs. We hope to have you join us for more ICMIF events in 2022 and especially the Centenary Conference in Rome in October.

We have enjoyed learning more about CLIMBS through our interactions and hope to continue this during 2022 and into the future.

We would like to extend our warmest wishes to all your members who join you at the 2022 CLIMBS Annual General Assembly. We wish you a very successful and enjoyable meeting.

Yours in cooperation,

Hilde Vernailen
Chairperson

▶ MESSAGE FROM THE CHIEF EXECUTIVE AND PRINCIPAL

Co-operative College



Thank you so much for giving me the opportunity to contribute to your 2021 Annual Report, in this special year when you celebrate such a prestigious anniversary at your 50th Annual General Assembly. On behalf of all colleagues, Trustees and Members at the Co-operative College I send you our warmest wishes.

Although I am still relatively new to the College, and to the co-operative movement in general, I have been delighted to be able to develop such a strong bond with CLIMBS so quickly. In particular, I have been struck by the firm commitments that you have made to learning and environmental sustainability - two areas which are very close to my heart - and by the way that you are pursuing these crucial areas of development not just with fine words, but with decisive actions which change lives and empower communities.

The Co-operative College is both proud and honoured to work with CLIMBS through our Memorandum of Understanding.

As an organisation, we are committed to an approach in which learning through co-operation is as important as learning about co-operation. It was a real pleasure to work with CLIMBS again this year on online executive leadership masterclasses, at which delegates engaged with this co-operative learning approach so enthusiastically, and we very much look forward to our upcoming plans to deliver an enhanced programme as face-to-face learning for the first time.

Looking ahead, we are excited at the prospect of working in partnership with CLIMBS even more closely as you continue to innovate and inspire by developing the Co-operative College of the Philippines.

Congratulations and kindest regards to you all!

Neil Calvert
Chief Executive & Principal

► MESSAGE FROM THE MANAGING DIRECTOR

ALLIANCE OF BIOVERSITY INTERNATIONAL AND INTERNATIONAL CENTER FOR TROPICAL AGRICULTURE



Greetings!

First, on behalf of the Alliance of Bioversity International and the International Center for Tropical Agriculture (CIAT), I would like to congratulate CLIMBS Life and General Insurance Cooperative on their 50th anniversary!

Our partnership on beefing up existing insurance packages for farmers and agricultural cooperatives is proof that we are taking steps to protect the sector against the impacts of climate change. Livelihood losses in agriculture are increasing as more extreme weather events happen in the Philippines and around the world.

Through the collaborative work on the Weather Protect Insurance, we are not only able to give farmers and cooperatives ways to recover from various triggers, but also provide them with the necessary information to prepare for extreme rainfall or drought. We are also grateful for the opportunity to maximize years-worth of climate information developed by the Alliance to benefit next users and build resilience in the agriculture sector.

A component of the insurance program is the creation of a policy management and agro-advisory platform that covers crop suitability, crop advisory, and flood risk maps. These crop and area-specific materials are empowering farmers to adapt to changing conditions as needed, while still being covered by a weather insurance.

We are optimistic that through scaling and mainstreaming these relevant initiatives, we will be able to impact more farmers and protect livelihoods across the Philippines.

Cheers to 50 years and wishing you more success in the years to come.

STEPHAN WEISE, PhD

Managing Director for Asia

Alliance of Bioversity International and CIAT

▶ MESSAGE FROM THE PRESIDENT AND DEAN

Asian Institute of Management



On behalf of the Asian Institute of Management, I would like to convey my warmest felicitations to all the directors, officers, staff, agents, and members of CLIMBS Life and General Insurance Cooperative on the occasion of your 50th Annual General Assembly. This celebration, coming on the heels of the pandemic, is a testament to CLIMBS' unrelenting commitment to its mission of empowering the cooperative movement to fully realize its role as a primary instrument to promote social justice and economic development on the grassroots level.

CLIMBS' continued growth and success, even in the face of constant challenges due to COVID19, speaks very highly of the organization's resiliency, built on good management and strong partnerships. I am particularly inspired by your organization's commitment to the management and staff's continuing development and education, as evidenced by our partnership through AIM's School of Executive Education and Lifelong Learning.

The recent "Pivoting the Business in the New Normal" executive course, attended by CLIMBS' officers and partners, is an excellent illustration of our collaboration intended to future-proof the organization, enabling it to thrive and flourish no matter the business landscape.

Indeed, CLIMBS and AIM share common goals and aspirations in the pursuit of nation-building. AIM's courses on development management and disaster relief and crisis management build leadership capacity to scale social impact, empowering organizations and communities, especially those in the countryside, to become resilient and sustainable to meet the global priorities as identified in the Sustainable Development Goals, or SDGs. And like CLIMBS, we also put emphasis on the preservation of the planet by instilling the triple bottom line in the courses we teach.

Your theme of Beyond Numbers, Beyond Borders is indeed very apt. The pandemic has forever changed the way we conduct business. It has taught us to focus on the most important resource of every organization, its people. Equipping employees with the right training, technology, and leadership will allow an organization to succeed beyond expectations, regardless of circumstances and boundaries.

I wish you more success as you continue to empower more and more cooperatives and communities in the future.


JIKYEONG KANG
President and Dean

▶ MESSAGE FROM THE PRESIDENT AND CEO

CLIMBS Life and General Insurance Cooperative



My fellow cooperators in CLIMBS, my warmest greetings to all of us as we celebrate our 50th year anniversary.

Looking back, our insurance cooperative has been but steadily moving forward, constantly innovating and changing to stay relevant and committed to our core goal of providing social protection to our cooperative members.

For five decades, we have seen how CLIMBS from an MBA transform to become a social enterprise building inclusive subsidiaries to address the different needs of our members, as we say from "womb to tomb". While we were not spared by the different challenges along the way, especially during this pandemic, still our strategies with the support of you, our owner cooperatives, fared and proved that the cooperative principles we lived for is true.

We said we will insure 20 million lives by 2024 and it will be our beacon as we celebrate our 50th year today and as we move forward. We may not know when we still be wearing our face masks but our words and deeds will show our commitment and passion as we continue to uphold and live the cooperative principles ensuring that it will be inculcated to the next generations.

Let me focus in the last two (2) years where we most saw CLIMBS as a resilient and formidable cooperative during the onslaught of the pandemic. These years were not easy for all of us because we felt the abrupt and decisive need to fast track and re-invent the different facet of the way we do things.

In 2021, we felt the surge of claims when we were severely affected by the lockdowns, COVID positive employees, effect on our reliability on the internet and readiness of our systems and still by the end of the year, we were able to pay Php1.058B claims, an increase of more than 40% from 2020 of which Php59.5M are COVID related cases. Despite the overwhelming challenge, we still posted a dividend rate of 7.34% from the 5.30% in 2020 which reflects the result of our member-owners and the stewards in management collective effort, trust and confidence to CLIMBS's services.

This is where rigid system enhancements were done such as system decentralization starting in Luzon, review of data warehousing in partnership with the ICMIF and the full implementation of CLIMBS Insurtech, our online digital insurance app of which we have a total of 469 coops, CoopAssurance Centers and agents' users.

Our CLIMBS CARES (Community Action and Response to Emergency Services) also continued its different programs which were not limited in Cagayan de Oro City but also in neighbouring municipalities which benefited 2,322 households, 42 barangays, 27 outreach group partners to name a few. CLIMBS CARES also led relief efforts with partner cooperatives during Typhoon Odette.

May I say that one of 2021's highlights is the fruition of the re-launching of the enhanced Weather Protect Product in September. This is CLIMBS's concrete answer not only to help in government programs, but more importantly to directly link this need of our coop's farmer members. We are hoping that the Weather Protect Product will open doors for more talks with different government entities, financial institutions, and other insurance and reinsurance companies.

Initially, a total of fourteen (14) cooperatives from the pilot five (5) participated and were released a total of Php5.9M claims due to Typhoon Odette but according to the DA, more than 500,000 farmers were affected, how many of them are coop members?

We are also excited that we are moving forward with our CIM as the training provider of the National Federation of Cooperative Primaries in the Philippines (NaFeCoop) to become the Cooperative College of the Philippines and with all the challenges that we had and we may certainly have on this endeavour, we sometimes ask ourselves, why? And the answer is far more inspiring; it will be first in the country, to help in sustaining and influencing the next generations on the "reason for being" of the cooperative movement though continuous education is enough, is it not?

We continued what we shift in 2019 that our goal should not only focus on numbers but transcending what is expected of us. We saw that beyond the mission and vision of becoming the leading insurer providing innovative and technology-driven insurance for the grassroots in the country, we are more than just protection.

Thank you to our Board of Directors, Officers, Top Management and employees specially the Sales Team, Intermediaries and partners for your support and dedication that made CLIMBS relevant to the ordinary people and coop members.

Ang akong pagyukbo sa atung mga pinalanggang ka-kooperatiba sa CLIMBS. Tanggapin po sana ninyo ang aking taos pusong pasasalamat sa inyong walang kupas na suporta sa mga produkto at proyekto ng CLIMBS.

Let us all work together and keep our passion for the cooperative burning and let us continue to live the values and principles of the cooperative.

Mabuhay ang kooperatiba!


NOEL D. RABOY, MBA EX
President and CEO

▶ MESSAGE FROM THE CHAIRPERSON

CLIMBS Life and General Insurance Cooperative



My cordial felicitations and warm greetings to all our member-cooperatives, partners, alliances and stakeholders as we gather for the General Assembly this year!

It has been a while since we had our last face-to-face General Assembly. We thank the good Lord for having spared us from the contamination of the COVID-19 disease, even as we pray for those who have perished during its onslaught. While the pandemic has affected us in the Cooperative sector in various respects, it has on the other hand highlighted our capabilities and strengths. For one, it has in ostentatiously reshaped and recalibrated our Cooperative in terms of resiliency and responsiveness. How we have readily and proactively responded to the challenges wrought about by the pandemic and its concomitant concerns definitely displays the advance degree of resiliency we have attained. How timely and efficient the strategies and schemes we have employed to cope with the demands of the new normal business platforms obviously establishes a sterling management capability which CLIMBS has developed across the years.

With our shared experiences of the pandemic at the backdrop, we have celebrated CLIMBS' 50th Foundation Anniversary with increased enthusiasm at 'Insuring Twenty Million Lives by 2024. We have also strengthened and leveled up the bars of our common alliances by expanding the depth and breadth of our partnership in education, information technology and training programs and projects. We have even sewn the final stitch of our efforts at founding the first Cooperative

College for the country. Not to mention the fact that we have sustained the escalating graphs of our KRA's in term of this year's operational performances, we gracefully wrapped up our responsiveness by providing the best insurance packages for our Agri-Entrepreneurial and Weather Protection programs. These have become possible primarily because we have remained one and unified in claiming our common identity and direction, beliefs and principles, as a Cooperative.

Indeed, there is cathartic vitality when there are meetings in mutuality. There is uplifting sustainability in assuring care and concern with and among brothers & sisters. As your incumbent Chairperson, I confide to you this bursting feeling of blessedness for the opportunity to lead, learn, and laugh with you as we continue to climb the steps, figures, targets, and graphed strategies. To all our cooperators and stakeholders: we extend our gratitude for sustaining us with your unrivaled trust and confidence, in our business and in our beliefs. To our institutional regulators, the Insurance Commission, and the Cooperative Development Authority, thank you also for guiding us through the years and for carefully seeing it through that we will be doing prudently the tasks and deliverables entrusted to us. To my fellow Directors, for the collegial collaboration and support, thank you. To the management and staff, for your undying loyalty and for accomplishing all the tasks expected of you, thank you very much. To the cooperative leaders who have preceded us, I pray we have brought honor to the foundation you have set – watering and fructifying this proverbial tree which you first planted as a tiny seed in this metaphorical field we call the Philippine Archipelago. May our decisions and endeavors glorify the Lord who has called us all to this service.

God bless us all!

Faithfully,

FR. ELMO P. MANCHING
Chairperson

▶ BOARD OF DIRECTORS

2020 - 2021



FR. ELMO P. MANCHING
Chairperson
Metro Ormoc Community
Multi-Purpose Cooperative

Padre Elmo is the Chairperson of Metro Ormoc Community Multi-Purpose Cooperative (OCCCI) of which he served as Director for seven (7) years. He is also a Director of the Society Action Commission Archdiocese of Palo and the Cooperative Bank of Cebu.



ATTY. ANTONIO MANUEL A. ALCANTARA
Vice Chairperson
Perpetual Help Community Cooperative

Atty. Alcantara served as Director to Perpetual Help Community Cooperative since 1995. He is also a Director of Cosmopolitan CLIMBS Life Plan, Inc. and the Corporate Secretary of CLIMBS Share Capital Equity Investment Fund Corporation.



ATTY. DANIEL O EVANGELIO, JR.
Director
Toril Community Cooperative

Atty. Evangelio is a Director of Toril Community Cooperative since 2004. He is also a member of the Board of Directors of CCLPI. He was the in-house Lawyer and Legal Manager of Anflo Group of Companies from 1989-2006.



MARJORIE P. ABLAZA
Director
San Dionisio Credit Cooperative

Ms. Ablaza is a Director of San Dionisio Credit Cooperative for 4 years. She is also one of the Director of the Philippine Cooperative Center, Metro Manila Savings Cooperative and Philippine Chamber of Commerce and Industry.



ATTY. LITO B. ASTILLERO
Director
Cebu CFI Community Cooperative

Atty. Astillero served as one of the Directors of Cebu CFI for 19 years. He also served as President in Lyceum of Cebu and Chairman of Cooperative Bank of Cebu.



MARLENE D. SINDAYEN
Director
Novaliches Development Cooperative

Ms. Sindayen served as one of the Directors of Novaliches Development Cooperative for 6 years and was the Chairperson in 2009-2014. She also served as the Treasurer of the Philippine Cooperative Center and a Council Member for the Coop Sector at the National Anti-Poverty Commission.



LILLIAN D. SILUBRICO, CPA
Independent Director
Holy Cross Savings and Credit Cooperative

Ms. Silubrico is a Certified Public Accountant. She is the General Manager and Chief Executive Office of Holy Cross Savings and Credit Cooperative and served as the Chairperson of Valenzuela Cooperative Development Council in 2015-2019.



REYNALDO M. VERGARA
Independent Director

Mr. Vergara last held the position of Actuarial Division Manager of the Insurance Commission and retired last 2017. He also does consultancy on personal capacity.



SARAH T. AGNER
Director
PHCCI Multi-purpose Cooperative

Ms. Agner is a teacher by profession. She is a college instructor at St. Paul School of Professional Studies. She is the Board of Trustee at the PHCCI Academy Inc. and served as a Director of PHCCI Multi-Purpose Cooperative for 9 years.



FERMIN L. GONZALES
President Emeritus

Mr. Gonzales was the former President and CEO of CLIMBS Life and General Insurance Cooperative from 1993 to 2017. He is also the Chairperson of CLIMBS Share Capital Equity Investment Fund Corporation and CLIMBS Investment Management and CLIMBS Investment Management and Advisory Corporation. He is now the President and CEO of Cosmopolitan CLIMBS Life Plan, Inc.



DORIS B. CALAPIZ
Treasurer
Oro Integrated Cooperative

Ms. Calapiz is a member of the Board of Directors of Oro Integrated Cooperative since 2005. She is also a Director at the Metro Cagayan de Oro Water Service Coop Federation and Golden Grains Marketing Coop and was a Director as well at the Mindanao Cooperative Hostel Services and MASS-SPECC.



ATTY. ISIDRO Q. LICO
Corporate Secretary
Mindanao Consolidated Cooperative Bank

Atty. Lico served as Director of Mindanao Consolidated Cooperative Bank (formerly CBMO) since 1986. He is also the Chairman of Gasaka Multi-Purpose Cooperative and the Representative of Ating Koop Partylist.



COMMITTEES

2020 - 2021

AUDIT COMMITTEE



MARIE DEE B. BELAGAN, CPA
Providers Multi-Purpose Cooperative



DR. EDUARD C. AMOGUIS
Tagum Cooperative



DR. PACIANO P. BACANI
ISU Multi-Purpose Cooperative



REYNALDO M. VERGARA
Independent Director
Ex Officio Member

ETHICS COMMITTEE



JOSELITO O. SANTILLAN
Sta. Ana Multi-Purpose Cooperative



CYNTHIA E. FULGUERAS
Basud Development Cooperative



ALBIN O. RESPUESTO
Agdao Multi-Purpose Cooperative

MEDIATION COMMITTEE



ATTY. VIVIAN O. MAQUILING
DCCCO Multi-Purpose Cooperative



ERIC F. DIZON
Manatal Multi-Purpose Cooperative



JANETTE B. ROMERO
Bohol Community Multi-Purpose Cooperative

ELECTION COMMITTEE



ATTY. ROLANDO C. CASAWAY
Davao Allied Development and Service Cooperative



ATTY. JOSE AGERICO R. DE GUZMAN
Makilala Multi-Purpose Cooperative



ALEXANDER B. RAQUEPO
Sta. Cruz Savings and Development Cooperative

GENDER AND DEVELOPMENT COMMITTEE



DR. IRMA E. CRUZ
St. Martin of Tours Credit and Development Coop



JOVITO M. GLODO
Panabo Multi-Purpose Cooperative



ANTONIO M. VIÑA
Paglaum Multi-Purpose Cooperative

RENUMERATION COMMITTEE



DAVEN P. GAMOLO
Oro Integrated Cooperative



JOSE EDUARD C. MANDAPAT, JR.
Landbankers Multi-Purpose Cooperative



PACIANO A. TOMARONG
Aurora Integrated Multipurpose Cooperative

▶ TOP MANAGEMENT

2020 - 2021



NOEL D. RABOY, MBA Ex
President and Chief Executive Officer



HENRY M. LOPEZ
Chief Executive Officer (Ex-officio)
Coop Life General Insurance
& Financial Services Agency



REYNALDO G. SAN ANDRES, CPA
Vice President and
Chief Finance Officer



RENAN P. DIAZ
Vice President for Sales



DONNA MARIE MICHELLE C. DIZON
Vice President for Admin and Corporate
Planning / CIM Executive Director



BLESILDA L. CUMBA
Vice President for Operations



ROWENA R. ABELLA
Vice President for Marketing



ATTY. CYRIL FRANCIS S. CASIÑO
Legal and Compliance Officer
Data Privacy Officer



NANCY G. ORTEGA
Assistant Vice President for
Life Division



BERNADETH N. BERNADAS
Assistant Vice President for
Non Life Division



▶ MANAGEMENT TEAM

AMIE GRACE M. SABORNIDO, CPA
Controller

MARIETTA V. MAGALONES
Human Resources and Admin Manager

RUEL T. ARSUA
Claims Manager

CAMILO M. DEL ROSARIO JR.
Non Life Company Underwriter

HAZELYN D. LABUDAHON
Branch Office Manager (Luzon)

ENGR. CHARLES L. MAGARIN
ICT Head

CHERYL LIZA C. GALLA
Investment Manager (Banks)

GRACE D. SORIANO
CAC Manager

GRETCHEN M. BABANTO
Life Underwriting and
Actuary Manager

JUNEVIC R. ITEM
Non Life Operations Manager

ERIC R. CLAMONTE
Branch Office Manager (Cebu)

CYFRED U. ODARVE, MIT
IT Manager

MARIA THERESA L. SENECA
Investment Manager (Cooperatives)

LAURICE DEE O. INOSA
CIM Program Officer

CHARED A. NALIPONGUIT
Non Life National Sales Manager

GEDION M. CABAL
Branch Office Manager (Davao)

IELYN G. ASAY
Internal Auditor

ANNA MARIE M. SURIA
Chief Cashier

LOUIE R. JOPSON
Underwriter (Fire and Casualty)

ROWENA P. CASINILLO
Assistant Compliance Officer

ROSARIO G. LEGASPI
Treasury Officer



▶ GENERAL ASSEMBLY AGENDA

1. House Rules
2. Call to Order
3. Chairperson's Message
4. Proof of Due Notice of Assembly
5. Roll Call and Confirmation of Quorum
6. Presentation of Candidates
7. Approval of the Agenda
8. Reading of the Minutes of the 47th Annual General Assembly held in Blue Leaf, Pasay City on April 25, 2019
9. Matters arising from the 2019 Annual Reports
10. Board and Management Report
11. Audited Financial Statements
12. Proposed Budget for the Year 2022 and Ratification of Budget for year 2020 & 2021
13. Audit Committee Report
14. Election Committee
15. Proposed Amendments to the By Laws
 - a. Article of Cooperation - Article II, Objectives. Secondary Purposes
 - b. By Laws - Article II, Section 5 Share Capital Subscription
 - c. By Laws - Article III, Section 18 Regular General Assembly Meeting
 - d. By Laws - Article IV, Section 24 Composition of the Board of Directors
 - e. By Laws - Article IV, Section 29 Meetings of the Directors
 - f. By Laws - Article IV, Section 31 Removal of Director and Committee Member
 - g. By Laws - Article IV, Section 51-A President of CLIMBS
 - h. By Laws - Article V, Section 39 Remuneration and Personnel Committee
 - i. By Laws - Article X, Section 58 Order of the Distribution of Net Surplus
16. Matters Arising from the Annual Reports of the Officers and Committees
17. Resolutions, Recommendations and New Business
18. Other Matters
19. Declaration of Newly Elected Officers
20. Adjournment

▶ HOUSE RULES

All voting delegates must be separated from the non-voting delegates / participants during the General Assembly,

The non-voting delegates may participate in the discussion but are not allowed to field a motion nor be allowed to vote.

A voting delegate who wants to raise a question or follow-up a question should be recognized first by the Moderator. He/She shall be called by the Moderator and will be requested to stand-up and give his/her name for record purposes.

The Moderator would then ask the voting delegate if his/her question is related to the matter being discussed at hand.

Every voting delegate is allowed to raise only two (2) questions; the first and the other is, for the follow-up question. This is applicable to each issue or concern being discussed, subject however, to the discretion to further accept questions, as he/she deems fit and advisable, or elevate the matter to the Chairman / Presiding Officer for immediate consideration / dispositive action.

Every voting delegates is only allowed a maximum of three (3) minutes to discuss or clarify his/her point.

The Chairman / Presiding Officer using his inherent power, and if he sees fit and reasonable ask question/s or solicit motion/s direct from the Assembly, or even interrupt during deliberations without necessarily asking permission from the Moderator.



CLIMBS Life and General Insurance Cooperative

Zone 5, National Highway, Bulua, 9000 Cagayan de Oro City, Philippines
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OFFICIAL MINUTES OF THE PROCEEDINGS OF THE 47TH CLIMBS ANNUAL GENERAL ASSEMBLY

April 25, 2019 (Thursday) • 3:00 PM

The Blue Leaf Filipinas, Paranaque City

Board of Director and Committee Officers Present:

Fr. Elmo P. Manching (Metro Ormoc Community Cooperative)	-	Chairman
MGen. Gilbert S. Llanto (Ret.) (ACDI Multipurpose Cooperative)	-	Vice Chairman
Atty. Marianito Q. Mojica, Jr. (Countrywide Financial Institutional CFI Coop)	-	Director
Marlene D. Sindayen (Novaliches Development Cooperative)	-	Director
Marjorie P. Ablaza (San Dionisio Credit Cooperative)	-	Director
Atty. Daniel O. Evangelio, Jr. (Toril Community Cooperative)	-	Director
Sarah T. Agner (PHCCI Mutipurpose Cooperative Tacloban)	-	Director
Atty. Antonio Manuel A. Alcantara (Perpetual Help Community Cooperative)	-	Director
Edgardo G. Amoronio (Sta. Catalina Credit Cooperative)	-	Director
Fermin L. Gonzales (<i>Excused</i>)	-	President Emeritus
Lillian D. Silubrico (Holy Cross Savings and Credit Cooperative)	-	Independent Director
Reynaldo M. Vergara	-	Independent Director
Noel D. Raboy	-	President and CEO
Atty. Rolando C. Casaway (Davao Allied Development & Services Coop)	-	Election Committee
Jose Agerico R. De Guzman (Makilala Multipurpose Cooperative)	-	Election Committee
Alexander B. Raquero (Sta. Cruz Savings & Development)	-	Election Committee
Marie Dee B. Belagan (Providers Multipurpose Cooperative)	-	Audit Committee
Juanito P. Rosini (Isabela State University MPC)	-	Audit Committee
Eduard C. Amoguis (Tagum Cooperative)	-	Audit Committee
Cynthia E. Fulguerass (Basud Development Cooperative)	-	Ethics Committee
Atty. Marvin S. Pulido (Agdao Multipurpose Cooperative) (<i>Excused</i>)	-	Ethics Committee
Wilma P. Salas (Maripipi Multipurpose Cooperative)	-	Ethics Committee
Janette B. Romero (Bohol Community MultiPurpose Cooperative)	-	Mediation Committee
Dr. Eufemio L. Calio (MSU-IIT National MPC)	-	Mediation Committee
Eric F. Dizon (Manatal Multipurpose Cooperative)	-	Mediation Committee
Romeo A. de Jesus (San Jose del Monte Savings and Credit Coop)	-	GAD Committee
Antonieto M. Viña (Paglaum Multipurpose Cooperative)	-	GAD Committee
Dra. Irma E. Cruz (St.Martin of Tours Credit and Development Cooperative)	-	GAD Committee
Rev. Fr. Anton CT Pascual (Simbayanan ni Maria Development Cooperative)	-	Remuneration Committee
Roberto C. Mascariñas (Barangka Credit Cooperative)	-	Remuneration Committee
Daven P. Gamolo (Oro Integrated Cooperative)	-	Remuneration Committee

OPENING PROGRAM

The 47th CLIMBS Annual General Assembly started with an Invocation, the singing of the National Anthem and the recitation of the Coop Pledge.

1 **BUSINESS ASSEMBLY PROPER**
 2
 3 **I. Call to Order**
 4
 5 Chairperson Fr. Elmo Manching called the
 6 meeting to order at 3:00 pm and requested VP
 7 for Operation Raul Pregon to read the House
 8 Rules and served as Moderator.
 9
 10 **II. Proof of Due Notice**
 11
 12 Corporate Secretary Isidro Lico declared that
 13 there was a Proof of Due Notice sent to the
 14 members-cooperatives through mails and
 15 emails.
 16
 17 **III. Roll Call and Determination of Quorum**
 18
 19 Corporate Secretary Isidro Lico attested that
 20 there is a quorum and there are 855 delegates
 21 representing 245 member cooperatives or 83%
 22 to conduct business. However, since there is
 23 only 55% of 231 Members in Good Standing
 24 present, there is not enough number to warrant
 25 approval for any proposed amendment in the
 26 by-laws.
 27
 28 **IV. Approval and Adoption of Agenda.**
 29
 30 Call to Order
 31 Proof of Due Notice of Assembly
 32 Roll Call and Confirmation of Quorum
 33
 34 Presentation of Candidates
 35 Approval of the Agenda
 36 Reading and Approval of the Minutes of the
 37 46th Annual General Assembly
 38 Matters Arising from the 46th Annual General
 39 Assembly
 40 2018 Annual Report
 41 1. Board and Management Report
 42 2. Audited Financial Statements
 43 3. Proposed Budget for the Year 2019
 44 4. Audit Committee Report
 45 5. Election Committee Report
 46 Proposed Amendment to the By Laws
 47 a. Article of Cooperation – Article VI,
 48 Field of Membership
 49 b. By Laws – Article II, Section 5 Share
 50 Capital Subscription

51 c. By Laws – Article IV, Section 24
 52 Composition of the BOD
 53 d. By Laws – Article IV, Section 27
 54 Qualifications of a RD and ID
 55 e. By Laws – Article IV, Section 29
 56 Meeting of the Directors
 57 f. By Laws – Article IV, Section 31
 58 Removal of Director and Committee
 59 Member
 60 g. By Laws – Article VII, Section 51
 61 President of CLIMBS
 62 h. By Laws – Article X, Section 58 Order
 63 of the Distribution of Net Surplus
 64 Matters Arising from the Annual Reports of the
 65 Officers and Committees
 66 Recommendations and New Business
 67 Other Matters
 68 Elections
 69 Declaration of Newly Elected Officers
 70 Adjournment

GA Resolution No. 1, series of 2019

On motion made by Miriam Baloyo of Tagum
 Cooperative, severally seconded and
 unanimously carried, the Assembly approved
 the Agenda of the 2019 Annual General
 Assembly.

Presentation of Candidates

82 Election Committee Chair Atty. Rolando
 83 Casaway then led in the presentation of
 84 candidates to the assembly.
 85

**V. Reading and Approval of Minutes of the
 47th CLIMBS Annual General Assembly**

GA Resolution No. 2, series of 2019

On motion made by Juanita Partol of PRO II
 MPC, severally seconded and unanimously
 carried, the Assembly approved to dispense the
 reading of the minutes of the 46th Annual
 General Assembly held in Bacolod City.

**Corrections to the Minutes of the Previous
 Meeting**

100 Page 14 line 33 and 38 – the correct name is
 101 Gertrude Yap.

1 Page 14 line 42 – the name of the delegate of
 2 from Providers MPC should be identified.
 3 Page 14 – all figures should be identified if it is in
 4 thousands or millions.
 5 Page 15 line 20 – the correct name is Janet
 6 Matuginas.
 7 Page 17 line 40 – the correct name is Evelia
 8 Satur of Tagum Cooperative.

9
 10 **GA Resolution No. 3, series of 2019**

11
 12 On motion made by Nenita Malbas of Tagum
 13 Cooperative, severally seconded and
 14 unanimously carried, the Assembly adopted and
 15 approved the minutes of the previous General
 16 Assembly as corrected and shall form as an
 17 integral part of the 2018 Annual Report of
 18 CLIMBS.

19
 20 **Matters arising from the Minutes of the**
 21 **previous General Assembly**

22
 23 Dr. Victor Bonifacio Hofilena of Sta. Ana MPC
 24 reiterated his question of the previous year of
 25 how is the dividends being computed. VP for
 26 Finance Reynaldo San Andres explain that
 27 CLIMBS for 2018, follows the requirements of
 28 CDA on the computation of dividends and
 29 patronage refund.

30
 31 Nenita Malbas of Tagum Cooperative then asked
 32 for an update on the amendment of by-laws and
 33 the renewal of CLIMBS registration to CDA.
 34 Chairperson Elmo Manching answered that the
 35 matter has been addressed by the Compliance
 36 Officer.

37
 38 **VI. 2018 ANNUAL REPORT**

39
 40 **1) Board and Management Report**

41
 42 **GA Resolution No. 4, series of 2019**

43
 44 On motion made by Evelyn Dimacale of
 45 NOVADECI, severally seconded and unanimously
 46 carried, the Assembly approved to dispense the
 47 reading of the Board and Management Report.

53 **GA Resolution No. 5, series of 2019**

54
 55 On motion made by Nenita Malbas of Tagum
 56 Cooperative, severally seconded and
 57 unanimously carried, the Assembly approved
 58 the 2018 Board and Management Report.

59
 60 **2) Audited Financial Statements**

61
 62 **GA Resolution No. 6, series of 2019**

63
 64 On motion made by Miriam Baloyo of Tagum
 65 Cooperative, severally seconded and
 66 unanimously carried, the Assembly approved to
 67 dispense the reading of the Independent
 68 Auditor’s Report.

69
 70 Cynthia Lisondra of Sta. Ana MPC then
 71 commented on the drastic decrease on net
 72 surplus of 189M in 2017 to only 62M in 2018
 73 because of the increase of 233M on legal policy
 74 reserves. Darwin Carrasco, Actuarial Consultant
 75 explained how legal policy reserve was
 76 computed based on the data submitted by
 77 management. Ms. Lisondra then asked if there is
 78 a policy on how much should be allocated for
 79 the legal policy reserves and how often does
 80 actuarial is being done.

81
 82 President and CEO Noel Raboy answered that
 83 the Insurance Commission requires insurance
 84 companies to engage in a third party actuarial
 85 office that will validate the reserves, and based
 86 on their assessment, CLIMBS need to put up this
 87 much for this year. This is a mandatory
 88 requirement of the regulatory to ensure that we
 89 can pay future claims in the next 3 to 5 years.

90
 91 He added that management will be addressing
 92 some issues on data management through the
 93 help of John Wipf and hopefully some of the
 94 amount will be reversed, CLIMBS will also push
 95 into individual insurance as additional products
 96 to the portfolio. But for now, CLIMBS need to
 97 fund the amount required for the legal policy
 98 reserves otherwise the Insurance Commission
 99 will not grant CLIMBS authority to operate.
 100 Independent Director Reynaldo Vergara added
 101 that CLIMBS need to submit actuarial reserves
 102 report to IC every quarter. He also said that from

1 the premium remitted, a portion of it is
 2 automatically placed on reserves.
 3
 4 Nenita Malbas of Tagum Coop then asked on the
 5 update of CLIMBS investment to CLIFSA and
 6 CIMAC of 15M and 10M, the receivables from
 7 them of 20.9M and 13.6M respectively and
 8 CLIMBS payables to CLIFSA as well of 36M citing
 9 that these are non-interest bearing receivables.
 10 VP for Finance Reynaldo San Andres answered
 11 that CLIFSA already gave a dividend of 10M and
 12 none yet from CIMAC, he also added that
 13 receivable from CLIFSA will be collected at the
 14 end of the year and CIMAC's is converted to
 15 equity. President and CEO Noel Raboy added
 16 that management will make sure these will be
 17 consolidated by the end of this year.
 18
 19 Sister Remedios Tidor of Vincentian Family MPC
 20 then expressed her concern on the effect of the
 21 low net surplus to the investment of the coop
 22 members, she said that though she understand
 23 that CLIMBS has to comply to the requirements
 24 of IC, the funding on the legal policy reserves
 25 should not have been done instantly given the
 26 high amount involved. Chairperson Elmo
 27 Manching appeal to the assembly that
 28 unfortunately there are some high and low years
 29 in any business and management will work hard
 30 to be able to bounce back this year and provide
 31 a decent dividend in the right time.
 32
 33 PHCCI Tacloban asked if there is a way to
 34 allocate the legal policy reserves on percentage
 35 basis from the assessment of the actuary.
 36 Chairperson Elmo Manching reiterated that
 37 unfortunately, there is no way to do it as it is a
 38 mandatory requirement of the Insurance
 39 Commission.
 40
 41 Renario Quintero of PHCCI Tacloban commented
 42 that it should not be earmarked as ordinary
 43 expense since this is a reserve for future use and
 44 added that the assembly should have been
 45 consulted first as this greatly affects their
 46 investment income with CLIMBS. Besides he
 47 said, CLIMBS is an insurance cooperative and IC
 48 would understand that the members are
 49 cooperatives and not corporations. The external
 50 auditor explained that this is not an

51 extraordinary account in the insurance business
 52 only that the amount was significant. Audit
 53 Committee Chair Marie Dee Belagan then said
 54 that the objective in presenting this is to come
 55 up with a more sound financial statement for a
 56 proper measurement of income. Chairperson
 57 Elmo Manching added that unfortunately there
 58 is no compromise in the mandatory
 59 requirements with the regulatory.
 60
 61 Cynthia Lisondra of Sta. Ana MPC then
 62 commented that despite the decrease in net
 63 surplus, CLIMBS did not incur net loss and
 64 management has tried to clean what should
 65 have been the amounts in the financial and the
 66 coop members can look forward to an improved
 67 income the coming years. This was agreed by
 68 Ernie Tolentino of Coop Bank of Palawan as they
 69 also as coop bank experience the mandatory
 70 requirement of their regulatory that they also
 71 have to comply.
 72
 73 When another delegate then commented that
 74 there was no sudden increase in the previous
 75 years and so why now when CLIMBS is actually
 76 being audited by IC every year. She also added
 77 for a possibility of the laws of IC being adjusted
 78 for insurance cooperatives and not the same law
 79 being implemented for corporations.
 80 Chairperson Elmo Manching answered that as
 81 much as the Board of Directed fought against
 82 the increase on the reserves, the management
 83 has no choice because the reserves are not
 84 sufficiently funded and CLIMBS is being
 85 pressured comply to the laws of IC.
 86
 87 Joselito Santillan agreed and commented that
 88 since these are laws by the regulatory, there is
 89 no way that it will not be complied. The only
 90 thing to do is to always be vigilant but at this
 91 time to unite and give the management a
 92 chance to improve for next year.

GA Resolution No. 7, series of 2019

On motion made by Joselito Santillan of Sta. Ana
 MPC, duly seconded by Evelyn Nobleza of
 NOVADECI, and unanimously carried, the
 Assembly approved 2018 Audited Financial
 Statements.

1 **3) 2019 Proposed Budget (see Annex A)**

2
3 Cynthia Lisondra of Sta. Ana MPC commented
4 the decrease on the commission income which
5 means a decrease in the commission rate as
6 well, President and CEO Noel Raboy answered
7 that the intervention is to recognize net rates
8 that will help lower the collection expense.
9 When she added that the commission and other
10 underwriting income budget is only 3M when
11 the actual in 2018 is 25.62M, VP for Finance
12 Reynaldo San Andres answered that the
13 retention limit last year is 1M and management
14 has lowered it to 500,000 for 2019.

15
16 Miriam Baloyo of Tagum Coop noted that the
17 budget expects another 290M on legal policy
18 reserves but the net surplus budget is at 200M,
19 she then recommends for the approval of the
20 budget.

21
22 **GA Resolution No. 8, series of 2019**

23
24 Upon motion moved by Leovigildo Elmaco of
25 Perpetual Help Community Cooperative,
26 severally seconded and unanimously carried, the
27 Assembly adopted and approved the proposed
28 2019 Budget.

29
30 **4) Committee Reports**

31
32 **AUDIT COMMITTEE**

33
34 **GA Resolution No. 9, series of 2019**

35
36 Upon motion moved by Renario Quintero of
37 PHCCI Tacloban, severally seconded and
38 unanimously carried, the Assembly adopted and
39 approved the Audit Committee Report.

40
41 **ELECTION COMMITTEE**

42
43 Election Committee Chairperson Rolando
44 Casaway read the Election Guidelines and
45 announced that the voting will be done
46 electronically. Thence after, the casting of votes
47 commenced.

48
49 Declaration of Winners (see Annex B)

50
51
52

53 **Other Matters**

54
55 **GA Resolution No. 10, series of 2019**

56
57 Upon motion moved by Merlinda Encarnacion of
58 Sta. Ana MPC, severally seconded and
59 unanimously carried, the Assembly approved
60 the engagement of Reyes, Tacandong and Co. as
61 CLIMBS external auditor for 2019.

62
63 The majority of the Assembly then approved
64 that the 2020 Annual General Assembly will be
65 held in Cagayan de Oro City.

66
67 **VII. ADJOURNMENT**

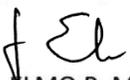
68
69 With no other matters being discussed, the 46th
70 Annual General Assembly adjourned at 4:03pm.

71
72
73
74
75 
76 BLESILDA CAGANG-CUMBA
77 Recording Board Secretary

78
79 Attested by:

80
81
82
83
84 
85 ATTY. ISIDRO Q. LICO
86 Corporate Secretary

87 Approved by:

88
89
90 
91 FR. ELMO P. MANCHING
92 Chairperson

Annex A

	ACTUAL (A)		BUDGET (B)		VARIANCE (A-B)		BUDGET (C)		VARIANCE (C-B)		
	YEAR ENDED DECEMBER 31		YEAR ENDED DECEMBER 31		YEAR ENDED DECEMBER 31		YEAR ENDED DECEMBER 31		YEAR ENDED DECEMBER 31		
	2018	%	2018	%	2018	%	2019	%	2019vs2018	%	
Gross Premium Income	1,984.60	116.97%	2,500.00	104.17%	515.40	-20.62%	2,300.00	115.00%	200.00	-8.00%	
Less : Refund & Re-Insurance	287.93	16.97%	100.00	4.17%	187.93	187.93%	300.00	15.00%	200.00	200.00%	
Net Premium	1,696.67	100.00%	2,400.00	100.00%	703.33	-29.31%	2,000.00	100.00%	400.00	-16.67%	
Less: Direct Costs											
Pay't to policyholders & beneficiaries	745.44	43.94%	1,020.00	42.50%	274.56	-26.92%	940.00	47.00%	80.00	-7.84%	
Commission expenses/Collection	546.72	32.22%	600.00	25.00%	53.29	-8.88%	500.00	25.00%	100.00	-16.67%	
Agency Expense	4.45	0.26%	23.50	0.98%	19.05	-81.06%	24.00	1.20%	0.50	2.13%	
(Dec)/Inc in legal policy reserves	233.39	13.76%	360.00	15.00%	126.61	-35.17%	290.88	14.54%	69.12	-19.20%	
Total Direct Cost	1,530.00	90.18%	2,003.50	83.48%	473.51	-23.63%	1,754.88	83.51%	248.62	-12.41%	
Underwriting Income	166.68	9.82%	396.50	16.52%	229.82	-57.96%	245.12	16.49%	151.38	-38.18%	
Operating Expenses	172.82	10.19%	240.00	10.00%	67.18	-27.99%	200.00	10.00%	40.00	-16.67%	
Operating Income	-	6.14	-0.36%	156.50	6.52%	162.64	-103.93%	45.12	2.26%	111.38	-71.17%
Investment and Other Income											
Rental income	3.65	0.22%	3.50	0.15%	0.15	4.40%	3.00	0.15%	0.50	-14.29%	
Commission & Other Underwriting Inc.	25.62	1.51%	3.50	0.15%	22.12	632.00%	3.00	0.15%	0.50	-14.29%	
Investment & Interest income	73.90	4.36%	66.50	2.50%	7.40	11.13%	148.88	7.44%	82.38	123.88%	
Total Investment and Other Income	103.18	6.08%	73.50	3.06%	29.68	40.37%	154.88	7.74%	81.38	110.72%	
Less: Prior years Adjustments	34.21	2.02%	-	-	34.21	-	-	-	-	-	
NET SURPLUS	62.82	3.70%	230.00	9.58%	167.18	-72.69%	200.00	10.00%	30.00	-13.04%	

Annex B

CLIMBS ELECTION OF OFFICERS OFFICIAL RESULTS Thursday, April 25, 2019

LIST OF OFFICIAL CANDIDATES

REGULAR BOARD OF DIRECTORS FOR MINDANAO

	NAMES OF COOPERATIVE	CANDIDATE	TOTAL VOTES	RANK	REMARKS
1	PANABO MULTIPURPOSE COOPERATIVE	GLODO, JOVITO	93	2ND	
2	TORIL COMMUNITY COOPERATIVE	EVANGELIO, DANIEL JR.	150	1ST	WINNER

AUDIT COMMITTEE

	NAMES OF COOPERATIVE	CANDIDATE	TOTAL VOTES	RANK	REMARKS
1	ISABELA STATE UNIVERSITY MULTIPURPOSE COOPERATIVE	ROSINI, JUANITO P.	376	2ND	WINNER
2	GUADALUPE COMMUNITY MULTIPURPOSE COOPERATIVE	BLANES, FROILAN B.	140	4TH	
3	NUEVA VIZCAYA ALAY KAPWA MULTIPURPOSE COOPERATIVE	YARCIA, ROMEO J.	92	5TH	
4	PROVIDERS MULTIPURPOSE COOPERATIVE	BELAGAN, MARIE DEE B.	380	1ST	WINNER
5	STA. ANA MULTIPURPOSE COOPERATIVE	LISONDRA, CYNTHIA A.	326	3RD	
6	TANAY MARKET VENDORS AND COMMUNITY MULTIPURPOSE	BENDAÑA, ZENAIDA J.	88	6TH	

ELECTION COMMITTEE

	NAMES OF COOPERATIVE	CANDIDATE	TOTAL VOTES	RANK	REMARKS
1	STA. CRUZ SAVINGS AND DEVELOPMENT COOPERATIVE	RAQUEPO, ALEXANDER B.	711	1ST	WINNER

Certified Correct by Election Committee :

Atty. Rolando C. Casaway
Chairperson

Atty. Jose Agerice B. De Guzman
Vice-Chairperson

Alexander B. Raqueno
Member

▶ BOARD AND MANAGEMENT REPORT

Dear Shareholders:

Culminating our five-year focus on providing complete financial solution for inclusive growth highlights the golden year of CLIMBS. We look back at the five decades with gratitude to all of you who birthed and shaped CLIMBS to where it is now and hopeful that as we pivot to another 50 years towards our centenary celebration, we will always be guided by the values set by the Cooperative pioneers back in the 19th century - values of self-help, self-responsibility, democracy, equality, equity, and solidarity. We remain to be true in the ethical values of honesty, openness, social responsibility and caring for others.

With the world experiencing a great turmoil in its 2nd year of the pandemic, we have seen the resilience of our own people – reminiscent of the Rochdale pioneers who birthed the modern cooperative movement during the Great Depression and of our founders, the late Atty Mordino Cua and Atty. Aquilino Pimentel Sr., in the early 1970s, at the time of political and social unrest in the Philippines. Our fellow cooperators have shown in the midst of crisis, we are steadfast and committed to our social contract of social responsibility.

Aligning all our operational and community plans and actions with the globally- accepted United Nation's Sustainable Development Goals (SDGs), we have laid out our strategic innovations, adaptive to the times. CLIMBS deepens the Cooperative Identity in specific areas and actions cognizant of the 3Ps - People, Profits, Planet.

People – The centerpiece of development – putting people in every aspect of our adaptive strategies , internally and externally. This is true to our battlecry of 20/24- Insuring 20Million lives by 2024.

Profits – “Profits for the people”. Operational efficiency and fiscal discipline were in place in order to provide the needed products and services to our member-owners and partners and ensure that business targets were met for the benefit of the member-owner cooperatives which will translate to the progress and growth of members in their respective cooperatives and communities.

Planet - Committed to make a better world. CLIMBS adapted and employed strategies to address Climate Action. Particularly on the relaunching of the enhanced Weather Protect Product (WPP). It is an agri insurance product designed with the cooperatives and farmers , agripreneurs in mind. Recognizing the importance of ensuring success in all levels of the value chain, the WPP incorporated agro advisory services as an added feature to the product. The pilot project was launched together with global partners, ICMIF, IBISA, the Alliance of Bioversity & CIAT and Global Parametrics.

In all our activities and programs, we recognize the important role of our partners , local and global, with the inherent principles of Cooperative Education, Cooperation among Cooperatives, and Concern for Community. These are important values which we adhere to and are relevant to attaining the Sustainable Development Goals - having the right partners, wholly committed to the achievement of goals. In line with this, CLIMBS became a recipient of various technical assistance, grant support from the global partners, opening opportunities for collaborations, while continuously delivering the brand of service excellence to member-owners and partners.

Because of the sheer commitment and the inspiration drawn from the forerunners and cooperative leaders and the movement as it stands today, we aim to make CLIMBS not only a local household name but also a global brand, making the cooperative movement as relevant as ever for the future generation of young leaders and cooperators worldwide – beyond numbers and beyond borders.

► 2021 PERFORMANCE HIGHLIGHTS

Putting people in the heart of development in the new normal

CLIMBS's management team continues to address the unique demands in the workplace and in the communities by continuously updating and implementing a Business Continuity Plan during an ongoing pandemic.

Flexibility in work arrangements and the activation of alternate teams in the BCP proved to be an effective measure in the delivery of services in the new normal.

The CLIMBS Internal COVID 19 Task Force composed of key officers continually meet to answer the pressing demands of work in the time of pandemic and to ensure that health and safety protocols are being observed to support government efforts in the fight to end the pandemic.

While the organization continues to equip its people in different capacities, CLIMBS also efficiently delivered its promise to be more than just protection for the grassroots population in addressing the needs of time. CLIMBS paid over Php59.5 Million in COVID19 related claims, a testament to our commitment in covering the risks of our member-owners especially during this pandemic.

The Digital platforms remains a useful tool in employee and people engagement to continually check and assess their welfare, safety and well-being. Information sessions on health and wellness, vaccination information advocacy, and the drive to be at the forefront in responding to Government's call for the private sector to help end the pandemic. These are on top of the regular capacity and capability -building sessions for upskilling and re-skilling.

The utilization of the Community Development Fund, and disaster relief response during the pandemic has amplified the importance of cooperation among cooperatives and concern for community, especially in times of distress. CLIMBS has utilized P13,786,668 worth of support in our COVID19 response to community services and assistance. CLIMBS also spearheaded several projects in answering the plight of our fellowmen especially those who were heavily devastated with the onslaught of typhoons.

The Cooperative identity was being exemplified and magnified by the heroic and selfless deeds from our fellow cooperators and our dear member-owners at the height of this global crisis, a testament to solidarity as we have pledged, "Alone, I am weak. With others, I am strong."



Agility in digital services: Enabling solutions

Operational efficiencies are being supported by strengthening the digital infrastructure to further support frontline and backroom activities involving big data.

The CLIMBS Insurtech mobile app is being used by over a hundred Cooperative Assurance Centers (CACs) nationwide and in 2021, it helped generate Php1,949,234,401 in sales. While this was initially met with difficulties, the pandemic in a way opened a door to virtual and e-commerce activities.

InsurTech Review Of The Day ★★★★★

“Solamet sa pag assist at pagtura tung paman gamitin ang InsurTech App, mas namamamok ko ang sales dahil saan, pwede make authenticating tapos ang policy ay ma send sa email or client sa mas fast ang expense namin dahil paperless na ayon. Ang advantage ay hindi na kailangan ng policy or ang request sa client or kailang mungaling lang sila ng ilisan ng COC at Policy. Hindi na haske sa onang mga CACs dahil saan find kami ay imbakapang issue kami ng Policy sa client or kailang mungaling lang sila ng quotation sa kailang Standard Fire Insurance or Comprehensive Insurance, screenshot lang tapos pwede sa send sa message. Good job team Congress CLIMBS sa InsurTech.”

DELLIO
BANG COOPERATIVE ASSURANCE COOPERATIVE

InsurTech Review Of The Day ★★★★★

“Maraming salamat sa bagong anyong system, ang InsurTech Insurance App at sa isang staff na si Maribay, ang galing nyo at napaka accommodating sa amon, hindi na mahihigang magtingon, salamat sa pag issue ng CTPA at Comprehensive Insurance. Walang haske dahil binuwag at kailang saan ko manino makaka issue ko compared sa hapones na ang dating paper, haske a print tapos mababig na gawet ang bagal pa. Kapag magpapalitan kami sa CLIMBS InsurTech App, GOD BLESS CLIMBS LIFE AND GENERAL INSURANCE COOPERATIVE!”

JOHN REY BRANZUELA
GEMERALD COOPERATIVE

InsurTech Review Of The Day ★★★★★

“Thank you for accommodating all our request regarding to the newest application called INSURTECH. Convenient to use, tapos ang pagpapalitan ay ‘di na sa kailangan pumunta sa bangkang para ang request ng pagpapalitan ang certificate, dito direkt na sa email ang response ng INSURTECH para makapag print ng mungaling policy, at ngay may collection report na din para sa insured parties. Ang advantage lang mismo ay hindi angud ang certificate at first to sama ng mga insured member kung sakaling magkamatil sa sa pangalan or email, yan lang ang disadvantage ng kailang saan. Thank you sa maikli na pag response tung may concern kami. God bless and more power!”

MIRYO GRACIA
COMMUNITY HEALTHWARRIOR COOPERATIVE

InsurTech Review Of The Day ★★★★★

“Using CLIMBS INSURTECH makes our daily transactions for Company Third Party Liability (CTPL) policy issuance fast, efficient and efficient because it allows with least transaction steps for authentication. It is very convenient to use compared to previous system because it is digital and paperless transactions. It can automatically generate policy, COC and claim receipt. It also provides instructions on the availability of the printed policy and COC from CLIMBS. Congratulations to CLIMBS IT Department for the evolution system transition to become globally competitive.”

STIA CATALINA CRUZ
COOPERATIVE CENTER

InsurTech Review Of The Day ★★★★★

“Pretty good application and overall Easy to use and it's very helpful. Let you do most things like you can on desktop in issuing policies. Can always use this anytime as long as there's an internet connection. One of the fastest ways in issuing CTPA that no longer needs to wait for an authentication. Easier to monitor and track issued policies. Making SP's easier when it comes to reports. CLIMBS InsurTech is very convenient and hassle-free. Highly recommended! Thank you so much CLIMBS!”

ROSEMARIA U. ESPARDO
HUMABANG HEALTHWARRIOR COOPERATIVE

InsurTech Review Of The Day ★★★★★

“It's amazing that CLIMBS has developed Insurtech apps particularly in CTPA. Issuance is really lessor our burden in issuing CTPA insurance for our members. I am very grateful for this new technology since it makes our transactions easier and faster.” Hindi na kami mahihiyang mag issue ng CTPA insurance dahil madali at automatic po itong mag generate ng printable policy. Be Insured! Be Secure! At Pagtuman Insurance How ay seguridad!”

CARMEN C. ALVARADO
PALAW HEALTHWARRIOR COOPERATIVE

CLIMBS INSURTECH
THE MOST CONVENIENT ONLINE PLATFORM IN PROCESSING CLIMBS INSURANCE APPLICATIONS!

WHY USE THIS APP?

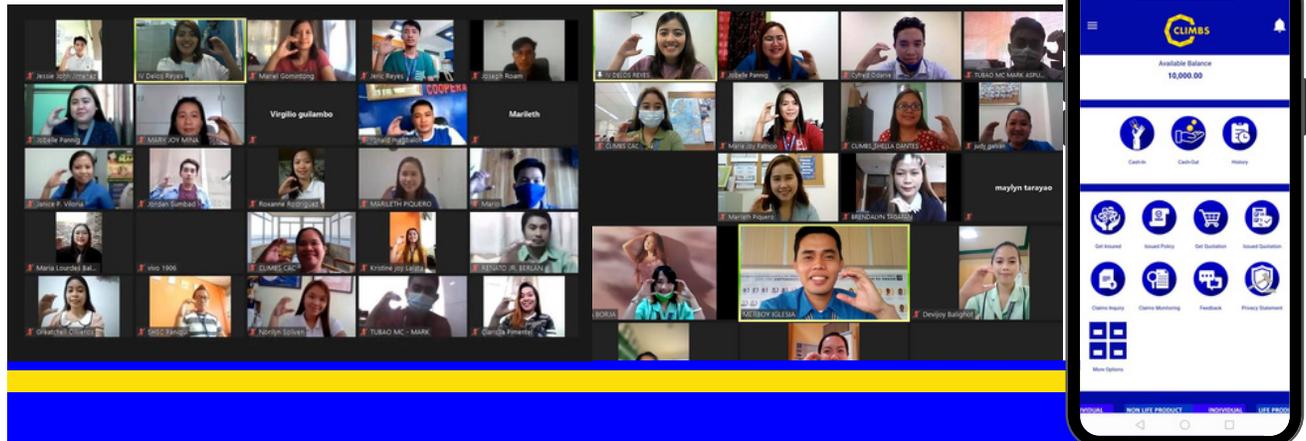
- SECURED & RELIABLE
- CONVENIENT & EASY TO USE
- AUTOMATIC PREMIUM QUOTATION
- SUPPORTS ONLINE PAYMENT
- TRANSACTION ANYWHERE, ANYTIME
- SALES & COMMISSION TRACKING
- FAST POLICY ISSUANCE
- PAPERLESS TRANSACTION
- CATER LIFE & NON-LIFE
- AVAILABLE 24/7

Insurance Protection at Your Fingertips!

CLIMBS INSURTECH NOW AVAILABLE AT
 Google Play
 App Store
[DOWNLOAD NOW!](#)

Employing this technology-based strategy, the sales team registered its consolidated gross premium accomplishment of Php1,949,234,401 with a total of 469 users. The sales team also accredited 44 new accounts with a fresh premium contribution of Php2,444,150.51. Understandably, the dip is generally attributed to the slow, if not the lack of , economic activities particularly in cities and areas tagged as COVID19 hotspots. Fortunately, as the community lockdowns were eased after COVID-19 cases lowered and there was an increase in vaccinations, the sales and marketing teams were back on the ground conducting in-person meetings as required, the added support by the ICT team.

Trainings were conducted in 2021 and there are more sessions planned for users in the continuous co-designing in sprint development process, to ensure that all digital applications answer the needs of the member-owners. CLIMBS has also partnered with the BRS (Belgian Raiffeisen Foundation), through the ICMIF, a Belgium -based mutual financial institution with its technical assistance in the enhancement of digital infrastructure.



Partners for Goals in Innovation, Resilience and Sustainability

From its humble beginnings of Php13,664.00 in assets in 1971, CLIMBS progressed to have Php3,677.43 million assets in 2021. It continues to be the leading Insurer of the grassroots population in the Philippines, as supported by Insurance Commission reports. CLIMBS sustained its rank to in 2021 as 19th in terms of Life and 29th in Non-life, hurdling a challenging year. This silver lining provided the morale boost to continue serving our member-owners and partners.



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



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Name of Company	SINGLE				RENEWAL				GRAND TOTAL
	FIRST YEAR		TOTAL		FIRST YEAR		TOTAL		
	Traditional	Variable	Traditional	Variable	Traditional	Variable	Traditional	Variable	
1. Sun Life of Canada (Philippines), Inc.	2,478,020,626	9,731,300,130	731,832,323	4,823,059,795	6,894,794,238	24,810,790,869	10,995,547,187	35,370,145,711	45,465,892,958
2. Philippine Area Life Insurance Corporation	1,231,957,296	1,847,379,448	(871,194)	21,188,631,501	3,997,288,331	19,569,366,201	5,229,875,133	39,714,098,150	38,943,171,283
3. Prudential Insurance Corporation of the Philippines, Inc.	134,418,810	9,229,928,248	(871,194)	4,347,618,989	180,471,093	29,142,201,162	334,807,703	37,717,872,939	38,052,800,862
4. Allianz FNB Life Insurance, Inc.	208,969,710	928,817,249	(396,822)	27,881,211,892	729,226,242	715,262,495	328,885,130	29,033,111,596	29,981,896,729
5. FNB Life Insurance Corporation	692,280,109	1,424,851,858	2,281,541	10,777,498,438	1,339,549,543	4,660,899,989	1,942,465,829	18,803,119,291	18,824,604,134
6. BDO Life Insurance Company, Inc.	2,078,538,624	1,021,625,766	381,087	3,038,151,430	7,798,899,336	4,357,247,412	9,874,267,547	8,417,124,608	18,291,832,195
7. BPI Life Insurance Corporation	527,297,179	1,486,266,599	85,110,002	4,972,831,008	1,145,995,994	9,552,266,728	7,811,799,188	16,321,960,340	17,883,999,566
8. Manufacturers Life Insurance Co. (Philippines), Inc.	865,507,396	1,278,696,205	120,753,950	2,789,380,528	4,889,931,188	7,713,341,514	5,796,192,103	11,212,788,647	12,077,860,750
9. Manulife Chubb Life Insurance Corporation	219,498,390	428,822,677	-	13,699,492,449	4,998,261,242	2,160,938,966	418,170,873	18,289,824,228	16,214,509,662
10. AIA Philippine Life and General Ins. Co., Inc.	723,623,233	892,762,807	359,899,611	87,491,116	4,321,651,139	9,964,636,320	2,909,670,893	16,622,802,389	16,627,811,250
11. Invalife Life Insurance Company, Limited	261,774,381	473,143,765	109,200,617	6,538,689,426	2,179,295,492	3,169,888,073	2,470,970,671	10,182,721,275	12,753,691,893
12. Sun Life Group Insurance, Inc.	548,194,952	697,464,110	4,959,989	4,538,693,000	2,989,928,562	1,699,729,411	2,821,220,951	6,893,966,511	9,815,726,271
13. United Coconut Planters Life Insurance Corp.	1,162,512,378	31,488,919	47,831,414	1,102,801,733	5,139,262,875	203,065,453	6,424,892,667	1,387,277,095	7,782,163,752
14. Sun Life & General Assurance Philippines, Inc.	478,364,049	-	-	1,781,313,947	1,819,454,919	3,886,009,797	1,154,338,291	6,046,388,088	6,046,388,088
15. East West Agency Life Insurance Corporation	275,014,204	893,833,896	-	1,398,263,151	247,428,213	1,626,759,818	822,450,418	3,849,856,065	4,265,107,081
16. Pioneer Life, Inc.	1,069,623,426	81,452,710	-	103,800,988	1,781,287,000	437,600,370	2,817,620,482	622,230,887	3,440,141,214
17. Beneficial Life Insurance Company, Inc.	953,739,883	-	3,754,000	-	763,245,546	-	1,721,429,430	1,721,229,430	1,721,229,430
18. General Life Assurance Corporation	294,624,808	-	-	1,139,412,184	-	1,070,422,969	-	1,676,622,883	1,676,622,883
19. CLIMBS Life & General Insurance Cooperative *	42,210,006	-	32,240,532	-	1,443,497,893	-	1,517,957,462	-	1,517,957,462
20. Sun Life of Canada (Philippines) Corp.	164,924,022	-	-	-	871,583,558	-	1,038,166,590	-	1,038,166,590
21. CIGSP Life and General Insurance	348,149	-	-	-	596,268,358	-	693,884,474	-	693,884,474
22. Farmers Life Insurance Company, Inc.	42,917,101	-	-	1,035,501	810,288,869	9,324,567	863,227,070	15,340,028	874,847,098
23. FNB Life Financial Company, Inc.	28,886,384	1,000	-	496,262,327	-	513,227,721	1,900	513,228,721	513,228,721
24. Philippine Life Financial Assurance Corporation	126,268,011	-	-	3,364,184	-	89,270,642	-	367,816,847	367,816,847
25. Manila Bankers Life Insurance Corporation	55,991,306	-	-	3,364,184	-	89,270,642	-	367,816,847	367,816,847
26. Country Bankers Life Insurance Corporation	850,532	-	-	42,814,840	-	42,814,872	-	42,814,872	42,814,872
27. Sun Life Philippines, Inc.	2,531,896	-	-	7,955,499	-	9,635,449	-	9,635,449	9,635,449
28. Carifila Life Insurance Corporation	-	-	-	5,817,129	-	5,817,129	-	5,817,129	5,817,129
29. Philippine International Life Insurance Co., Inc.	-	-	-	693,092	-	693,092	-	693,092	693,092
30. United Life Assurance Corporation	-	-	-	-	-	-	-	-	-
31. Prudential Guaranty Life Assurance Company, Inc.	-	-	-	-	-	-	-	-	-
TOTAL	15,475,038,254	24,578,942,818	2,153,640,739	107,481,469,991	53,385,913,251	195,185,586,061	79,994,589,344	229,245,637,070	319,240,527,014

Name of Company	Net Premiums Written
1. Malayan Insurance Company, Inc.	4,078,633,561
2. Pacific Cross Insurance, Inc. (Blue Cross Insurance, Inc.)	3,984,807,590
3. Prudential Guaranty & Assurance, Inc.	3,900,398,006
4. Pioneer Insurance & Surety Corp.	3,049,133,483
5. Chuan Ping An Insurance Corp.	2,455,511,504
6. BPIAMS Insurance Corp.	2,349,371,165
7. Mercantile Insurance Company, Inc.	2,065,972,720
8. Commonwealth Insurance Corp.	1,954,479,580
9. Standard Insurance Company, Inc.	1,678,285,352
10. LICOP General Insurance Company, Inc.	1,622,937,022
11. FPG Insurance Co., Inc.	1,484,027,271
12. Sunlight Insurance Company, Inc.	1,424,162,792
13. Philippine British Assurance Company, Inc.	1,327,148,866
14. Paramount Life & General Insurance Corp. *	1,227,738,575
15. MAA General Assurance Phils., Inc.	1,213,970,968
16. Alpha Insurance & Surety Company, Inc.	1,103,210,127
17. Card Pioneer Mutual Insurance, Inc.	823,314,632
18. Western Guaranty Corporation	773,728,077
19. Insurance Company of North America	750,139,741
20. Pacific Union Insurance Company	727,398,128
21. Maple Insurer Insurance Corp.	686,118,017
22. Fortune General Insurance Corp.	675,736,874
23. Oriental Assurance Corp.	674,727,866
24. People's General Insurance Corp.	665,275,770
25. Mercantile Guaranty & Assurance Corp.	490,071,488
26. Asia Insurance (Philippines) Corp.	490,042,020
27. Liberty Insurance Corp.	491,065,860
28. Allco-Bankers Insurance Corp.	405,905,763
29. CLIMBS Life & General Insurance Cooperative *	404,817,852
30. Sun Life of Canada (Philippines) Corp.	370,948,022
31. Starling Insurance Company, Inc.	370,948,022
32. Asia United Insurance, Inc.	365,707,863
33. Corporate Guaranty & Insurance Company, Inc.	360,386,761
34. M Pioneer Insurance Inc.	322,893,911
35. Sunbelt General Insurance Corp. (PNB Gen)	319,197,746
36. Citibank Insurance Corp.	317,814,970
37. Petrogen Insurance Corp.	297,811,870
38. Country Bankers Insurance Corp.	267,114,604
39. Sun International Insurance Philippines Branch	264,126,207
40. Balfour General Insurance & Surety Corp. (BIF Gen Ins. & Stry)	263,741,988
41. Travellers Insurance & Surety Corp.	257,112,484
42. AIG Philippines Insurance Inc.	229,763,652
43. New India Assurance Company Ltd., The	182,813,928

Addressing Climate Action, the conceptualization of a project that started in 2020 at the start of pandemic has finally come to fruition with the launching of the Enhanced Weather Protect Product, a parametric insurance, in July 2021 and with the onboarding of the pilot partner cooperatives OCCCI, OIC, MCCB, Paglaum MPC, and the AgriCoopPh, termed as the "Magic 5" which was followed by the onboarding of 9 more cooperatives towards the end of December 2021 which are the following:

1. Carmen Samahang Nayon Multi-Purpose Cooperative
2. Agusan del Norte Teachers, Retirees, Employees, and Community Cooperative (ANTRECCO Coop)
3. First Agrarian Reform Credit Cooperative (FARCCO)
4. Mactan Island Multi-Purpose Cooperative
5. Cebu Peoples Multi-Purpose Cooperative
6. Salcedo Multi-Purpose Cooperative
7. Sta. Monica Bukidnon Multi-Purpose Cooperative
8. Maramag Community Multi-Purpose Cooperative
9. Bohol Community Multi-Purpose Cooperative

The opportunity to serve the grassroots population remains vital to CLIMBS especially in addressing the plight of the farmers and the agripreneurs. The project aims to support farmers through an agri insurance to be distributed by CLIMBS's network of cooperatives with a pilot reach of 3,600 farmers in Year 1 to 36,000 in Year 2 and supported by a sustainability plan to cover all 81 provinces nationwide.

True enough, the product was tested with the onslaught of Typhoon Odette in the Philippines which hit certain areas of the country coincidentally covered by the project. Within 10 days payment of claims were processed as part of the digital solutions using blockchain technology, then President and CEO Noel D. Raboy led the team in releasing the checks and providing other relief goods and services with the CLIMBS CARES volunteers. The seamless process and immediate action was noticed by the global community both in the cooperative and mutual sectors, who carried news of hope to everyone that a global pandemic is not a hindrance to help our fellow man.

The screenshot shows a news article from COOP Today. The headline is "Co-operation in times of crisis: The movement steps up when disaster strikes". The sub-headline reads: "From the Lacanbare Cotton Farmer of the office to the Typhoon-stricken Philippines in 2021, co-ops have put their principles into action in responding to emergency". The article text states: "Last year, CLIMBS Life and General Insurance Cooperative launched its enhanced Weather Protect Insurance product, which uses blockchain and smart agriculture to offer farmers protection against extreme weather. Working with a number of international and national partner co-ops, they were able process members' claims within 10 days when Typhoon Rai (aka Odette) hit the Philippines before Christmas." The background image shows a person working in a field under a cloudy sky.

The unique addition of smart farming advisory services is cutting edge as it helps to ensure sustainability and livelihood viability among farmers who are extremely vulnerable with the threat of typhoons, drought and other catastrophic events that hit the Philippines annually and on a large scale. The farmer-centric design also ensures that cooperatives and farmers are involved in the creation of the product design and are trained in the use of the dashboard. They are also given access to necessary information through available and preferred channels.

With all of these, CLIMBS is poised to be ready to open various doors of opportunities partnering with like-minded organizations in the fulfillment of its mandate – beyond numbers and beyond borders.

The ILO's Impact Insurance Project's implementation was also suspended during the pandemic and partners have gone through some challenges towards the project closeout. However, being quick to adapt and being agile allowed CLIMBS and partners to continuously deliver in providing holistic risk management solutions. As a result 5,032,308 were reached, 1,743,046 male and 3,289,262 female. It is expected that an impact assessment will follow and will allow CLIMBS to once again be a partner in the resilience and sustainability efforts of the local and global partners.



Future-proofing the workforce: Adapting in the New Normal and beyond



In preparing the workforce in the new normal, several interventions were made in the areas of health, safety and overall wellness, competencies to meet present and future work demands and needs and continuous learning in different levels of management, leadership and service excellence to serve the member-owners better.

With the safety of the people in mind, especially in the gradual re-entry of the workforce to full capacity in different offices, the OSH team of CLIMBS enforced a clear guidelines regarding COVID19 vaccination programs nationwide to protect employees, families and clients in the office. Massive information campaigns were conducted with medical experts, to allay the fears of the employees and also to create a safe and healthy space for discussion.

Mental health has always been a priority thus, Wellness talks are being conducted regularly. Remote management was a challenge but because of business continuity measures, employee performances was still measured through innovative channels. Looking forward to a future of hybrid work, a training needs-assessment was conducted in order to customize necessary training sessions, aside from the regular training programs conducted in-house through the CLIMBS Institute of Management (CIM) outsourced and through the CLIMBS's affiliates and partners.



Some of the activities and seminars conducted are on the following;

Date	Activities
January 5, 2021	Virtual Team Building, Theme: The New CLIMBS in the New Normal
FRIDAY WELLNESS TALKS:	
July 2, 2021	Employees' Compensation Benefits related to COVID-19
August 6, 2021	<ul style="list-style-type: none"> a. Psychological survival in the midst of pandemic b. Home Care Basic Guidelines c. Vaccination Program for CLIMBS Employees
November 27, 2021	Productivity Improvement Program (Employees)

Several programs that have been successfully ran with reputable organizations and institutions and industry experts where members of the management team participated in are the following :

Date	Program	Participants
January 13-14, 2021	Cooperative Executive Masterclass with the Cooperative College of UK	18 Managers from different teams
January 21 & 22, 2021	Insurance Masterclass Course 2: Change and Innovation Management	23 Managers in different teams
February 23 & 24, 2021	Insurance Masterclass Course 3: Insurance and Reinsurance	20 Managers in different teams
April 21 & 22, 2021	Young Cooperative Leaders Masterclass	18 Young leaders from different teams
April 29 & 30, 2021	Youth for Coops: Next Gen Leaders: IGNITE!	24 young leaders from different teams
August 5 to November 2021	Post-Graduate Certification in Cooperative Management Module 1: Pivoting the Cooperatives in the New Normal - a flagship program with the Asian Institute of Management (AIM)	33 Senior Executives and Middle Managers
October 27 to November 03, 2021	12th AYIM: ASEAN Young Insurance Managers	9 Young Managers and Officers
October 26, 28, 29 to November 1, 2021	5th ASEAN School of Advanced Insurance Leadership (SAIL) Programme	3 Key Executive Officers from the Operations team
November 9-30, 2021	Icmif Mutual Leadership Course	3 Officers from different teams

In July 27 to 29, 2021, young leaders were also sent to the ICA -AP Cooperative Youth Summit (APCYS 3.0)

CLIMBS Life and General Insurance Cooperative sent five (5) youth delegates who participated in one of the summit's integral activities, the 'Coop Pitch Competition'. It is designed to find new and sustainable enterprise ideas on cooperatives. Participants get the opportunity to pitch cooperative business solutions to cater to the needs and aspirations of the youth and community in their country. Out of the 236 entries from youth delegates all around the world, the proposal from the CLIMBS participants was one of the 35 coop pitches evaluated for the final pitch. The 5 CLIMBS youth delegates all have one common aspiration in regards to their pitch, which is to be able to fulfill the United Nation's Sustainable Development

Goal No. 4: Quality Education – ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all. The group's project birthed the "Adopt a School" program, reaching to secondary school students, equipping them with digital needs that are required in the time of pandemic. These action plans inspire other young leaders to participate in similar worthwhile activities.



The HRAD continues to implement the CLIMBS Excellent Employees Leadership (ExCEL) Program to promote excellence, camaraderie and foster solidarity in the workplace. Primary focus on this year’s program was the health and safety of the employees in the workplace. However, the digital upskilling was also regarded with the same importance to enable and equip the employees, both in the frontlines and backroom to respond to customer and member concerns effectively. The monthly recognition of exceptional employees awarded as Employee of the Month and the birthday honoring continued in a blended program set-up.



Financial Measures: “Profits for the People”

With the global crisis, a silver lining was seen in CLIMBS’ overall performance, setting new milestones in the midst of difficulties and challenges. In financial dealings and stewardship , we continue to espouse and embody the Cooperative principles particularly on democratic control on membership, practicing “one member, one vote” , ensuring that all members are treated fairly.

Positive financial outcomes were marked by the end of 2021, overcoming the hurdles from a slackened global and local markets in 2020 , at the start of pandemic. In 2021, the overarching theme on thriving and making “profits for the people” in a challenging environment , laden with health and other pressures of profitability is prevailing in commercial markets, CLIMBS sets another milestone in 2021.

This year’s trends are highlighted as follows:

- Achieved Gross Revenue of 2.00 billion pesos, an increase of 12.80%
- Net premiums grew by 13% to 1.91 billion pesos.
- Net surplus of 205 million pesos, an increase of 21%
- Managed funds of 2.05 billion pesos, an increase of 1.09%
- Assets worth 3.68 billion pesos, an increase of 3.73%
- Net worth of 1.97 billion pesos, 4.85% increase.
- Claims paid 1.06 billion pesos, increase by 41.91%.

The financial statement of CLIMBS represents the consolidated life and non-life business.

2021 Financial Highlights



*Data as of December 2021

► 2021 KEY FINANCIAL SUMMARY

	Year 2021		Year 2020		Year 2019		Year 2018	
Assets	3,677.43	100.00%	3,545.32	100.00%	3,232.71	100.00%	3,321.71	100.00%
Cash	1,067.14	29.02%	1,035.70	29.21%	851.21	26.33%	1,167.22	35.14%
Investments	2,048.21	55.70%	2,026.21	57.15%	1,951.67	60.37%	1,593.46	47.97%
Insurance Receivables	94.32	2.56%	76.06	2.15%	74.71	2.31%	219.01	6.59%
Property & Equipment	121.10	3.29%	120.69	3.40%	109.06	3.37%	86.39	2.60%
Legal/Unearned Premium Reserves	877.26	23.86%	945.44	26.67%	738.18	22.83%	929.62	27.99%
Net Worth	1,971.51	53.61%	1,880.36	53.04%	1,814.67	56.13%	1,907.09	57.41%
Net Premium	1,914.14	100.00%	1,694.13	100.00%	1,592.54	100.00%	1,719.93	100.00%
Investment/Other Income	66.13	3.45%	80.81	4.77%	129.92	8.16%	96.05	5.58%
Gross Revenue	2,000.91	104.53%	1,778.02	104.95%	1,722.46	108.16%	1,815.98	105.58%
Claims	1,058.35	55.29%	745.78	44.02%	870.72	54.67%	745.44	43.34%
Policy Reserves	-68.18	-3.56%	118.27	6.98%	(79.38)	-4.98%	256.65	14.92%
Collection Costs	583.38	30.48%	550.02	32.47%	539.34	33.87%	546.72	31.79%
Salaries / Benefits	117.69	6.15%	96.11	5.67%	84.20	5.29%	69.80	4.06%
Gen & Admin Expenses	78.77	4.12%	89.27	5.27%	101.15	6.35%	107.47	6.25%
Total Expenses	1,770.01	92.47%	1,599.46	94.41%	1,516.13	95.20%	1,726.08	100.36%
Net Income	205.72	10.75%	170.21	10.05%	200.38	12.58%	62.82	3.65%

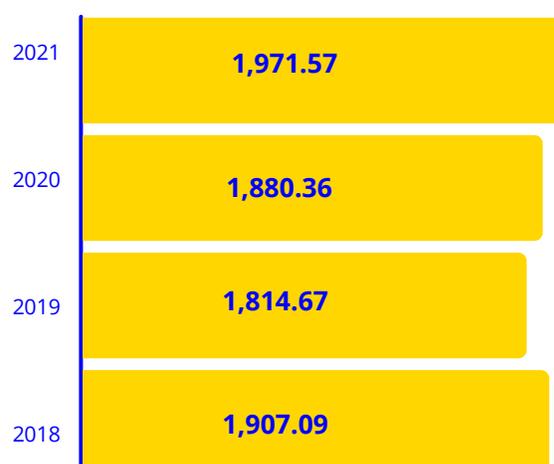
Share Value Information	Year 2021	Year 2020	Year 2019	Year 2018
Number of Common Shares with Par Value of P1,000 per Share	1,545,941	1,446,732	1,436,907	1,556,485
Total Equity - Net Preferred	1,837,574,219.00	1,702,582,172	1,623,586,474	1,742,682,527
Book Value Per Share (BVPS)	1,188.64	1,176.85	1,130	1,120
Dividend Per Share	73.40	50.30	60.30	41.40
Dividend Rate	7.34%	5.30%	6.30%	4.14%

► KEY TREND

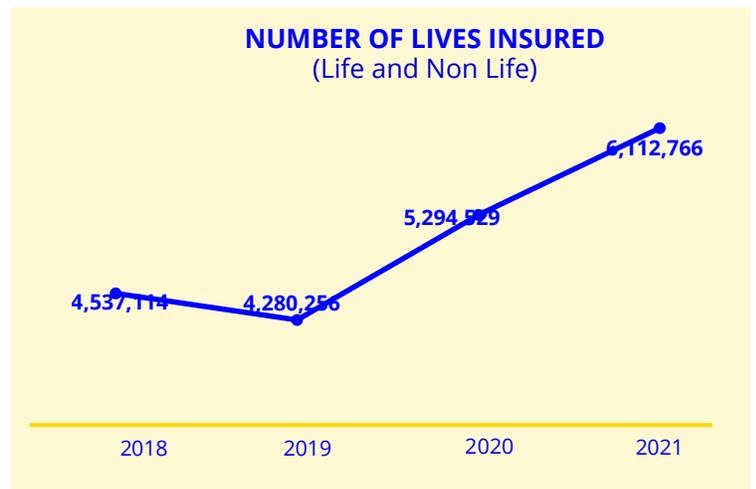
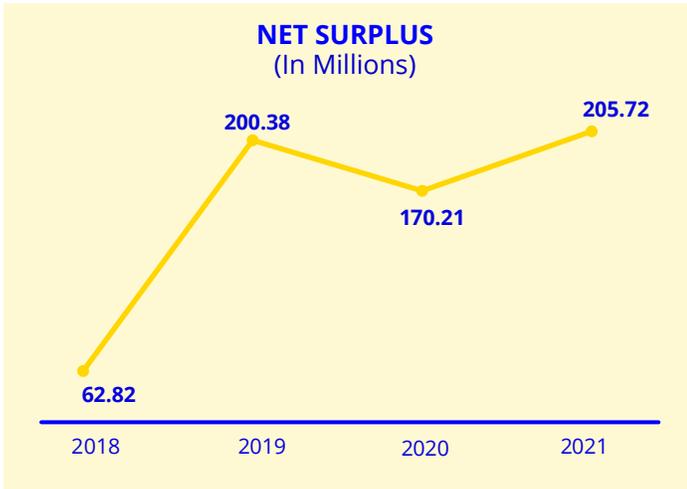
GROSS REVENUE
(In Millions)



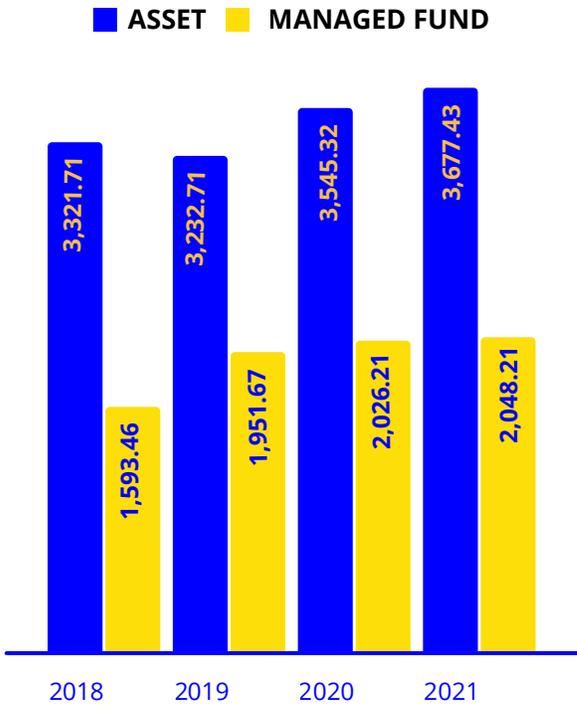
NET WORTH
(In Millions)



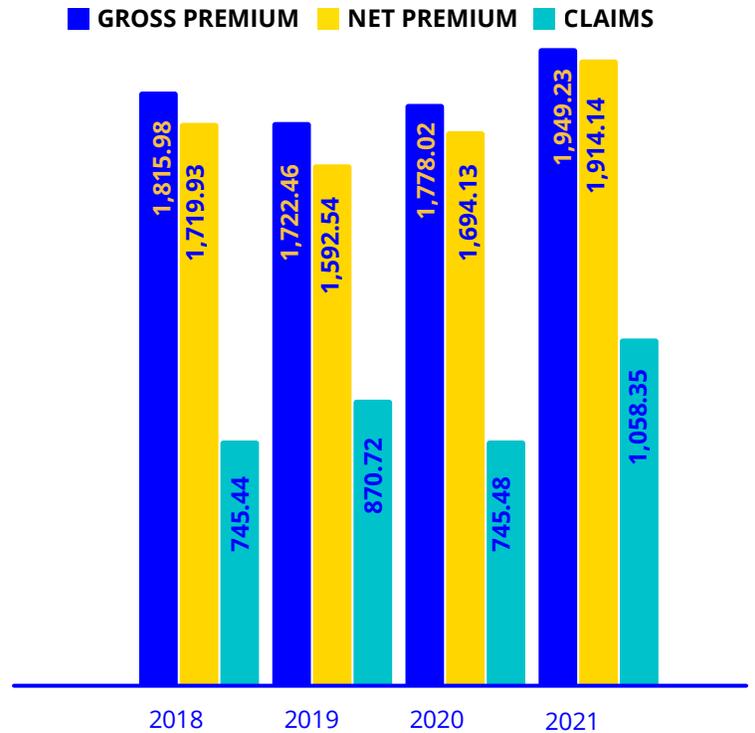
▶ KEY TREND



ASSETS AND MANAGED FUND (In Millions)

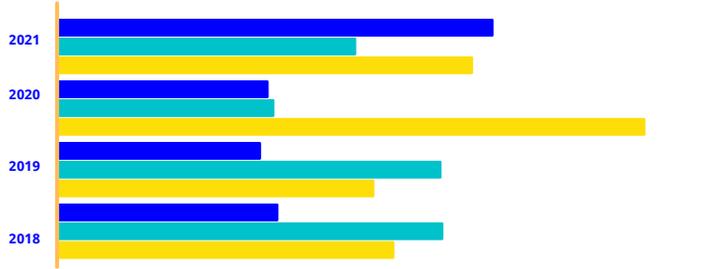


GROSS PREMIUM, NET PREMIUM AND CLAIMS (In Millions)



▶ KEY TREND

NUMBER OF INSURED LIVES
(Life)



	2018	2019	2020	2021
MINDANAO	1,472,821	1,384,766	2,575,844	1,818,363
VISAYAS	1,688,174	1,680,141	946,051	1,305,327
LUZON	963,663	887,274	920,562	1,908,618

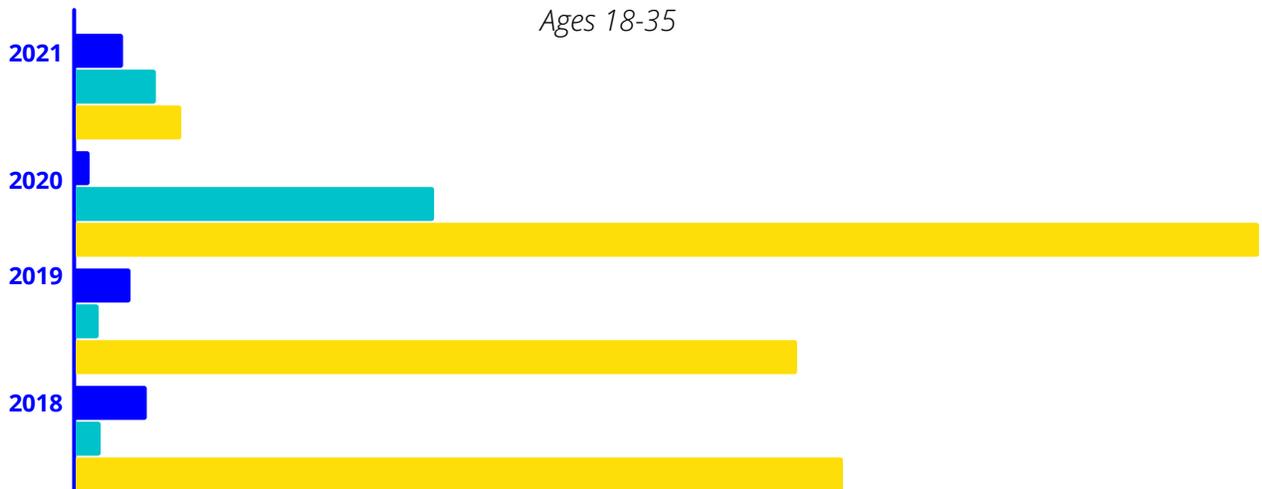
NUMBER OF LIVES INSURED - PERSONAL ACCIDENT
(Non Life)



	2018	2019	2020	2021
MINDANAO	229,775	180,377	138,733	69,929
VISAYAS	47,010	43,175	687,512	17,444
LUZON	135,701	104,523	25,827	993,085

NUMBER OF LIVES INSURED
(Youth)

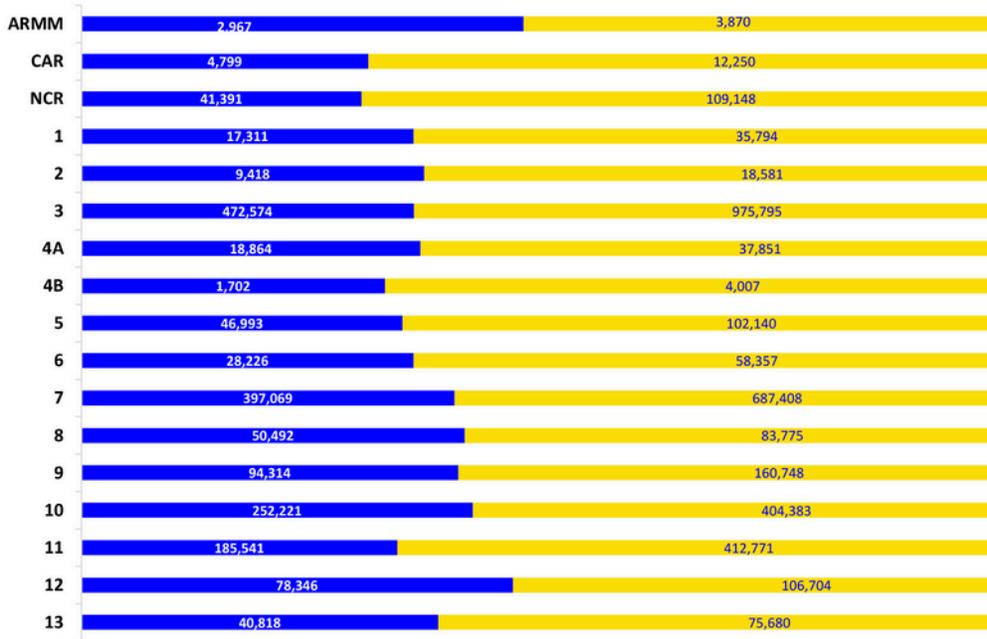
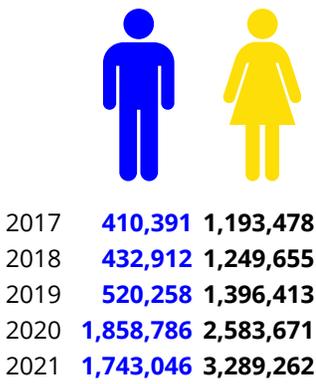
Ages 18-35



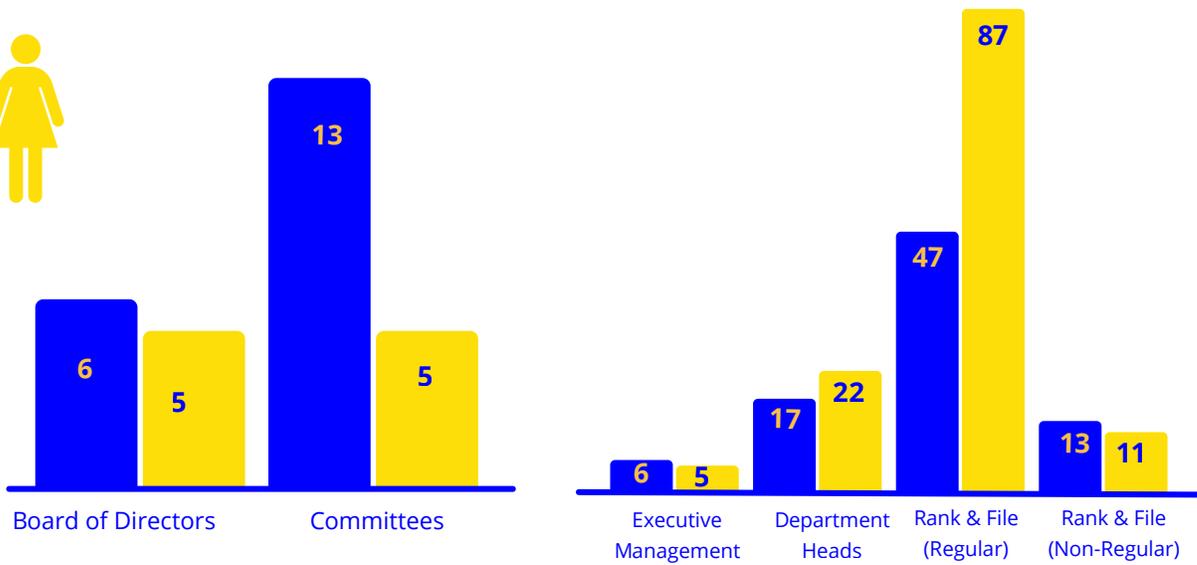
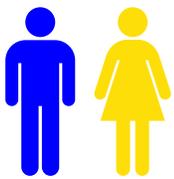
	2018	2019	2020	2021
MINDANAO	1,472,821	1,384,766	2,271,931	202,129
VISAYAS	1,688,174	1,680,141	1,768,508	153,181
LUZON	963,663	887,274	1,594,593	90,065

▶ KEY TREND

NUMBER OF LIVES INSURED PER GENDER (Life Division)



GENDER (Number of BOD, Committees and Employees)



► Business Targets for 5-Year Plan

Particulars	Base Year 2019	Year 1: 2020 Target	Year 1: 2020 Actual	Year 2: 2021 Actual	Year 5: 2024 Target
Gross Premium in Billion (Inclusive of refund)	1.94	2.25	1.77	2.00	4.2
Life	1.58	1.85	1.479	1.50	3.4
Non-Life	0.343	0.4	0.36	0.45	0.8
Investment Return	2.9%	4%	4.46%	2%	5%
Return on Equity	10%	11%	10.05%	11.2%	15%
Million Paying Accounts	160	250	148	194	500
Business Mix (Luzon, Visayas, Mindanao)	27/23/50	28/24/48	27/25/48	22/27/51	40/30/30
Net Surplus in Million	206	240	170.21	205.72	382
Dividend Rate	6%	8%	5.3%	7.3%	10%
CoopAssurance Centers with MOA	115	100	178	190	250
Active CoopAssurance Centers		50	138	146	150
Number of Coops with Non-Life Policies	1,800	2,000	1,260	1,309	5,000
Number of lives insured	4.4 M	7.5 M	5.29 M	6.1 M	20 M

► Aligning the support on SDG to ESG

ENVIRONMENT

6 CLEAN WATER AND SANITATION

1. Responding to a global crisis... p.37-39

7 AFFORDABLE AND CLEAN ENERGY

1. CLIMBS Proposed Budget p.105

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

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2. Securing Member-Owners... p.32
3. Realigning the dream... p.33-34
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11 SUSTAINABLE CITIES AND COMMUNITIES

1. Partner for Goals... p.22-23
2. Financial Measures: p.25
3. Key Trends... p.27-29
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12 RESPONSIBLE CONSUMPTION AND PRODUCTION

1. CLIMBS Proposed Budget p.102

13 CLIMATE ACTION

1. Partner for Goals... p.22-23

14 LIFE BELOW WATER

1. Responding to a global... p.37-39

15 LIFE ON LAND

1. Partner for Goals... p.22-23

SOCIAL

1 NO POVERTY

1. Partner for Goals... p.22-23
2. Financial Measures: p.25

2 ZERO HUNGER

1. Putting people in the heart... p.20
2. Partner for Goals... p.22-23
3. Financial Measures: p.25
4. Responding to a global crisis... p.37-39

3 GOOD HEALTH AND WELL-BEING

1. Future Proofing... p.23-25
2. Responding to a global crisis... p.37-39

4 QUALITY EDUCATION

1. Future Proofing... p.23-25
2. Realigning the dream of strengthening... p.33-34

5 GENDER EQUALITY

1. Key Trends... p.26-29

6 CLEAN WATER AND SANITATION

1. Responding to a global crisis... p.37-39

8 DECENT WORK AND ECONOMIC GROWTH

1. Agility in digital... p.21
2. Future proofing the workforce... p.23-25
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9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

1. Agility in digital... p.21
2. Securing Member-Owners... p.32
3. Realigning the dream... p.33-34
4. Responding to a global crisis... p.37-39

10 REDUCED INEQUALITIES

1. Partner for Goals... p.22-23
2. Financial Measures: p.25
3. Key Trends... p.27-29
4. Responding to a global crisis... p.37-39

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

1. CLIMBS Proposed Budget p.105

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

1. Financial Measures... p.25-26
2. Securing Member-Owners... p.32
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GOVERNANCE

5 GENDER EQUALITY

1. Key Trends... p.26-29

8 DECENT WORK AND ECONOMIC GROWTH

1. Agility in digital... p.21
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17 PARTNERSHIPS FOR THE GOALS

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2. Financial Measures... p.25-26
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SDG - Sustainable Development Goals
ESG - Environmental, Social and Governance

Celebrating the Golden Year; CLIMBS 20/24 - Beyond Numbers and Beyond Borders

In its 2nd year of The Strategic Plan for 2020-2024, CLIMBS continues to rally everyone in the cooperative movement with the battle cry of “20/24” i.e., Insuring 20 Million lives by 2024.

The blueprint set by the founders and cooperative leaders paved the way for CLIMBS to be more felt in our ways of doing business, effecting change, and creating impact beyond numbers and beyond borders. The next 50 years is shaped with a younger workforce, a new set of cooperative leaders, new adaptive strategies – new charters. We live in a VUCA world and in order to sustain and gain momentum from the last 50 years, CLIMBS will continue to do the following to welcome a new era of CLIMBS:

Advocacy campaigns on community resiliency and sustainability through our allied services.

1. Raise and educate a new generation of young co-operators and leaders, keeping the Millennials and Gen Zers in mind in our future activities such as the Youth for Coops Summit and Young Leaders Program
2. Forge strategic partnerships with community groups and reputable organizations, local and abroad.

Leading the way in thought leadership and best practices

CLIMBS participated in several virtual sessions organized by international partners, such as the ICMIF and the Cooperative College of UK and other organizations, local and abroad.



Property Management

CLIMBS opened its doors to owners and clients with the inauguration of the new offices in Cebu and Quezon City. The purchase of these properties was covered by BOD Resolution Number 152 Series of 2020.

The new offices situated in primary locations, will cater to the growing clientele of CLIMBS , especially to member-owners.

Our Luzon Area Office is now MOVING TO A NEW LOCATION

Our new location:
 #20 CLIMBS Building,
 Stanford St., Brgy. Socorro,
 Cubao, Quezon City

fb.com/CLIMBSOfficial
 customerservice@climbs.coop
 metro_manila@climbs.coop
 Landline: 7379-3812 | Globe: 0917-324-4705 & 0917-702-1446
 Smart: 0998-562-3934 | Sun: 0922-889-2271

Securing Member-owners Data and Compliance Measures

Recognizing the dangers of a cyber attack or data theft and to comply with the AMLA and Insurance Commission. CLIMBS's Board of Directors appointed Atty. Cyril Francis S. Casiño as Legal Counsel and Compliance Officer and Data Privacy Officer with a team to fully implement the Data Privacy Act personnel and member-owners were fully informed of the Data Privacy Act in different channels of communication.

As for other regulatory requirements and advisories from the National Privacy Commission in the processing of data and information during a pandemic, specifically for confidential information involving health protocols and safety, such information were widely disseminated to employees and members in various channels.

The required seminars were also conducted to support DOLE in promoting and sustaining a safe and healthy workplace:

Date	Program
March 26, 2021	Fire Prevention Seminar - Workshop
April 29, 2021	The CDO LGU representatives visited the CLIMBS Head Office in Bulua for a random check and appreciated CLIMBS' efforts in ensuring that the organization is not only compliant but is serious in implementing the minimum health and safety protocols.
July 16, 2021	Covid-19 Vaccination Information Drive Talks
August 6, 2021	Home Care Basic Needs, Mental Health & Awareness in the midst of Pandemic
November 27, 2021	"FLEX KO LANG OFFICE KO, 7S APPLICATION "
December 6, 2021	Safety Space Act "Bawal Bastos" DOLE Mandated Program

CLIMBS was given the Safety Seal by the government , having successfully passed the requirements given.

7S APPLICATION

THE SAFE SPACES ACT | REPUBLIC ACT NO. 11313 'BAWAL BASTOS' LAW

PROHIBITED

- CURSING
- WOLF-WHISTLING
- CATCALLING
- LEERING
- INTRUSIVE GAZING
- TAUNTING
- UNWANTED INVITATIONS
- MISOGYNISTIC, TRANSPHOBIC, HOMOPHOBIC, SEXIST SLURS

1st VIOLATION

- P1,000 Fine
- 12 hours of community service
- Mandatory attendance to a gender sensitivity seminar

2nd VIOLATION

- 6-10 days imprisonment or a fine of P3,000

3rd VIOLATION

- Up to 30 days imprisonment
- A fine of P10,000

PENALTIES

www.climbs.coop | CLIMBSOfficial

SAFETY SEAL

We follow safety & health protocols against Covid-19

Safety Seal No. L-104305-0203
 Issued on March 30, 2022
 Valid until September 30, 2022
 or unless sooner revoked

Re-aligning the dream of strengthening the Movement through Cooperative Education

CLIMBS Institute of Management (CIM, formerly CIFL) in 2021 delved strategically into its goal of delivering its mandate as a vanguard in the Cooperative milieu. Redirected as the sole training provider for the National Federation of Cooperative Primaries in the Philippines (NaFeCoop), working together in supporting cooperatives in providing high-quality, continuous cooperative education at par with global standards.

In 2021, CIM with its 134 current-partners marked a PHP 50 M Institute Training Fund Milestone. As we realign with the Cooperative Development Authority mandate (R.A. 2019-08), CIM aids its affiliate NaFeCoop in its campaigns for CETF collection and implementation of learning programs. The Virtual learning sessions totalled to 20 with 2,164 participants, 715 Male and 1,460 Female coming from 886 cooperatives nationwide.

Date Conducted	Title of Learning Activity	Training Partner
13-Jan-21 14-Jan-21	Cooperative Executive Masterclass	UK Co-operative College
21-Jan-21 22-Jan-21	Insurance Masterclass Course: Change and Innovation Management	Singapore College of Insurance Ltd (SCI)
29-Jan-21	Microinsurance Awareness Webinar	Atty. Randy B. Escolango, PhD and Juris D. Perez, CPA, MBA
19-Feb-21	Occupational Safety and Health (OSH) Training Program	Dr. Gilbert Gille
19-Feb-21	Heart Wellness in the Time of Pandemic	Dr. Ycrem Rivera
23-Feb-21 24-Feb-21	Insurance Masterclass Course: Insurance and Reinsurance	Singapore College of Insurance Ltd (SCI)
17-Mar-21	Celebrating Women in the Cooperatives: Thriving and Effecting Change Amidst the Pandemic	Coop-NATCCO Network, MASS-SPECC, ICMIF, ILO, CDA, St. Martin of Tours Credit and Development Cooperative, NOVADECI
19-Mar-21	CLIMBS & AIM MOU Signing + Introductory Masterclass	Asian Institute of Management (AIM)
22-Mar-21 23-Mar-21	CLIMBS B.E.S.T. Sales Team Retooling Workshop	Areté Leadership Development Consultancy
24-Mar-21 25-Mar-21 26-Mar-21	Insurance for SMEs through the CACs (Luzon, Visayas, & Mindanao)	International Labor Organization (ILO)
07-Apr-21	COVID-19 Vaccines: What You Need to Know	Edsel Maurice T. Salvana, MD, DTM&H, FPCP, FIDSA
21-Apr-21 22-Apr-21	Young Cooperative Leaders Masterclass	UK Co-operative College
29-Apr-21 30-Apr-21	Next Gen Leaders: IGNITE!	Areté Leadership Development Consultancy
20-May-21	Virtual Kamustahan with CIM Partners (Luzon, Visayas, & Mindanao)	CIM & NaFeCOOP
21-Jul-21	Business Continuity in the New Normal	Center for Humanitarian Learning and Innovation (CHLI)
05-Aug-21 - 10-Nov-21	Post-Graduate Certification in Cooperative Management Module 1: Pivoting the Co-	Asian Institute of Management (AIM)
22-Sep-21 23-Sep-21	Integrated Risk Management Solutions	International Labor Organization (ILO)
28-Oct-21	Cooperative Talks 2021 – The Cooperative Identity in the 21st Century	CIM & NaFeCOOP
25-Nov-21	CLIMBS for Climate Action	CLIMBS Marketing Department and Alliance of Biodiversity International and
21-Dec-21	Economic Outlook for 2022	Asian Institute of Management (AIM)



This year also marked new collaboration and partnership with the Asian Institute of Management (AIM), the Asian pioneer in international management and research through their School of Executive Education and Lifelong Learning (SEELL), for the Post-Graduate Certificate in Cooperative Management Program, entitled “Pivoting the Business in the New Normal” which was conducted virtually for three (3) months. This program was made for cooperatives with the objectives of: support the development of cooperative acumen and leadership agility of cooperative leaders, and to reinvigorate the cooperatives with future-thinking and viable pivot plans. The first batch of the said program graduated and became an official part of the AIM Alumni community.

Cooperative Education , Philippines and Beyond

Through CIM, CLIMBS commemorated the Cooperative Month highlighting the unveiling of the plaque of CLIMBS’ Philippine Corner in the Rochdale Pioneers Museum in partnership with the Co-operative College of the United Kingdom and Co-operative Heritage Trust and the ceremonial signing of agreement with sister school, the Cooperative College of UK for the development of Cooperative leaders immersed in Cooperative Education worldwide. This momentous virtual event aimed to bring back the Philippines in the cradle of the Cooperative Movement, and to celebrate 50 years of CLIMBS.



It also paved the way of institutionalizing the Cooperative College of the Philippines as part of the 5-Year Strategic Plan of CLIMBS which is envisioned to produce leaders who are fully committed to grow their cooperatives, attract and inspire young talents, and become ambassadors of goodwill. Cooperatives – driven by values and principles – thrive even in challenging times, and as CLIMBS enters its golden year, it is a ripe time to signal a call for solidarity for partners for the establishment of a Cooperative College in the Philippines as a legacy.



All activities are aimed at driving members’ growth, sustainability, organizational strength and resiliency in an age of continuous innovation and most disruptive yet, the ongoing pandemic.



▶ CoopAssurance Center (CAC) REPORT

The **CoopAssurance Center (CAC)** is a distribution channel of CLIMBS in partnership with primary cooperatives nationwide. It was launched in 2006, now with more than 100+ partners, with the goal of bringing insurance protection at the doorstep of the members of the cooperatives.

“I commit to help insure 20 Million Lives by 2024”. This battlecry ignited CLIMBS, the leading grassroots insurance cooperative in the country, and its cooperative affiliates to strive and commit to bring this to fruition. The CAC Team headed by VP for Marketing - Ms. Rowena Abella and CAC Manager/ R&D- Ms. Grace Soriano together with our Field Officers: Karen Stephanie Caslangan, Charlette Joy Cruz, IV Delos Reyes, Merboy Iglesia and Donna Mae Rosal is taking part of this initiative by conducting trainings and webinars to our CoopAssurance Centers (CAC’s). These activities reinforced our goal to engage our CACs and their members to recognize the importance of insurance. Our insurance products and services encompasses all; from the individual member to their own families and to their properties as well.

Despite of the pandemic, the CAC Team was determined to enhance the capabilities of our CACs by conducting trainings and seminars. Here are the list of trainings conducted via zoom platform.

Date	Name of Cooperative
January 13, 2021	Panabo Multipurpose Cooperative
January 15-16, 2021	San Isidro (Sn) Development Coop
February 4, 2021	Sta Cruz Multipurpose Cooperative - Main San Felipe Cooperative
February 9, 2021	Ictus Premier Multipurpose Cooperative Makilala Multipurpose Cooperative (Mak- Mpc) Greater Midsayap Area Multipurpose cooperative
February 18-19, 2021	Gubat St. Anthony Cooperative Providers Multipurpose Cooperative DA Region 2 Multipurpose Cooperative Lamut Savings And Development Cooperative Sacred Heart Savings And Credit Cooperative Tubao Multipurpose Cooperative Benguet State University Multipurpose Cooperative
March 2, 2021	Sta Cruz Multipurpose Cooperative
March 3, 2021	DA Region 2 Multipurpose Cooperative
March 26, 2021	Tagum Cooperative
April 6, 2021	Sta. Ana Multipurpose Cooperative Tagum Cooperative
April 12, 2021	Tagum Cooperative
April 13, 2021	Tagum Cooperative
May 12, 2021	Magsige Multipurpose Cooperative
May 14, 2021	Pili Market Development Cooperative
May 19-21, 25-26, June 1-3, 2021	Perpetual Help Community Cooperative - Dumaguete
May 27-28, 2021	Bohol Diocesan Multipurpose Cooperative
July 5, 2021	Oro Integrated Cooperative
September 1, 2021	Claveria Grassroots Multipurpose Cooperative
September 3, 2021	Tagum Cooperative
September 10, 2021	Gabay-Kaunlaran Ng Bulacan Multipurpose Cooperative
September 15, 2021	Kooperatiba Ng Nagkakaisang Mamamayan MPC Claveria Grassroots Multipurpose Cooperative
September 16, 2021	Gabay-Kaunlaran Ng Bulacan Multipurpose Cooperative
September 17, 2021	Novaliches Development Cooperative
September 18, 2021	Tagum Cooperative
September 29-30, 2021	All North Luzon CACs
October 6, 2021	Kisandal Multipurpose Cooperative
October 6, 2021	Midsalip Farmers Multipurpose Cooperative (MIFAMCO)
October 11, 2021	MSU IIT National Multipurpose Cooperative
October 12, 2021	Makilala Multipurpose Cooperative Kisandal Multipurpose Cooperative Mediatix Multipurpose Cooperative
October 25, 2021	Ictus Premier Multipurpose Cooperative BCS Credit Cooperative Makilala Multipurpose Cooperative (Mak- Mpc) Sta. Catalina Credit Cooperative
October 21, 2021	Sto Tomas De Villanueva Parsish Multipurpose Cooperative
October 23, 2021	Tagum Cooperative
October 28, 2021	Maco Development Cooperative
November 16, 2021	All Cacs Under Area 2 (Central Luzon)

via face to face training:

Date	Name of Cooperative	Venue
April 15, 2021	Mandaue City Public Market Vendors Mpc	Cebu Area Office
May 8, 2021	Toril Community Cooperative	TCC Bldg., 5th Floor, Toril, Davao City
May 18, 2021	Cebu People's Multipurpose Cooperative	Cebu Peoples Bldg- Mandaue Branch
July 13, 2021	Baclaran Vendors Development Cooperative	NCR Coop Training Room
November 11, 2021	Sta. Cruz Multipurpose Cooperative	via zoom & face to face
December 14, 2021	Northern Samar Multipurpose Cooperative Fatima Multipurpose Cooperative Ormoc Vendors Multipurpose Cooperative St. Bernard Multipurpose Cooperative	Hotel Don Felipe, Ormoc City

Aside from the trainings conducted to enhance the CAC capabilities, CAC team also conducted the following trainings:

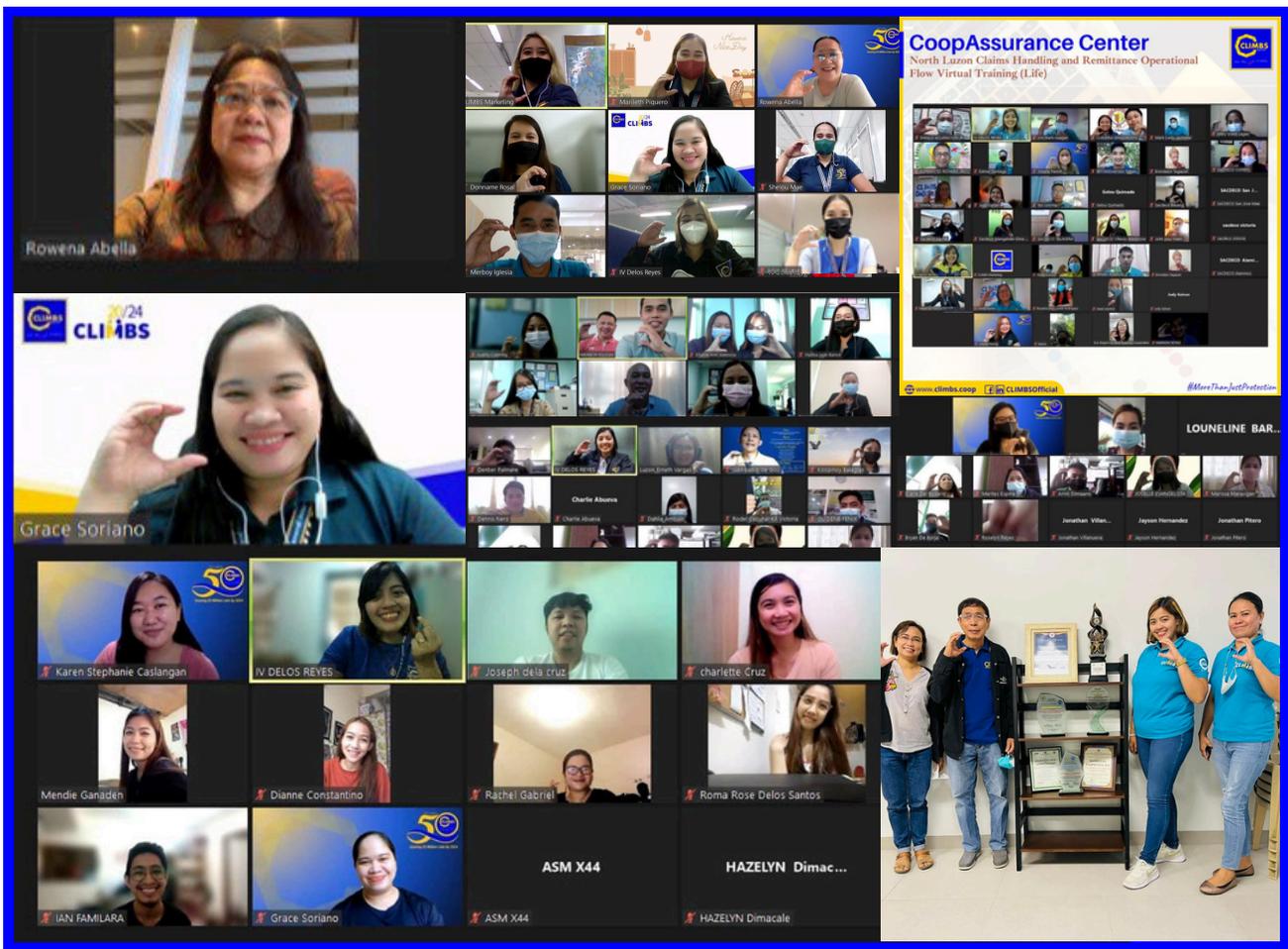
Date	Seminar / Training
March 24-26, 2021	Insurance for Small Medium enterprises Seminar
July 21, 2021	Micro Licensing Agents Training for Life (Batch 1)
July 24, 2021	Micro Licensing Agents Training for NonLife (Batch 1)
July 26, 2021	Micro Licensing Agents Training for Life (Batch 2)
August 9, 2021	Micro Licensing Agents Training for NonLife (Batch 2)
August 16, 17, 20, 24,25, & 26	Operations Team products training conducted by CAC FO - Luzon
August 27, 2021	Weather Protect Presentation for Paglaum MPC



And lastly, we gladly welcome the 9 new CoopAssurance Centers added to our existing 135 CAC partners nationwide: These are

- Pili Market Multipurpose Cooperative,
- San Isidro Development Cooperative,
- Gabay Kaunlaran ng Bulacan Multipurpose Cooperative,
- Parish of St. Francis of Assisi Meycauayan Credit and Development Cooperative,
- Baclaran Vendors Development Cooperative,
- Simbayanan ni Maria Multipurpose Cooperative,
- Maragusan Multipurpose Cooperative,
- Good life Savings and Credit Cooperative, and
- Kisandal Multipurpose Cooperative

These new partnerships will further promote our objective to uplift and secure the lives of the members of the cooperatives including their families and eventually achieve insuring 20 million lives by 2024.



Creating Business Opportunities for Cooperatives

Responding to a global crisis – the COVID 19 Pandemic

CLIMBS CARES (Community Action and Response to Emergency Services) played a very important and special role in our rapid response and continuing efforts to help the government and other organizations in our fight to end the COVID 19 pandemic.

The CLIMBS Internal COVID-19 Task Force summarized its significant activities, communications and media releases in a comprehensive report submitted to the Board and Management team.

Date	Activity/Program	Partner (s)
February 19, 2021	Occupational Safety and Health (OSH) Program in the Cooperative: More than just Compliance	CIM
February 19, 2021	Heart Wellness in the Time of Pandemic	CIM
February 24, 2021	7S Good Housekeeping in CLIMBS: "Health and Safety Friday Talks"	HRAD
March 26, 2021	Fire Prevention Seminar - Workshop	Bureau of Fire Protection (BFP)
March 31, 2021	CITY ORDINANCE NO. 14023-2021, THE HIGALA ONLINE APPLICATION (HIGALA APP)	CLIMBS Internal COVID-19 Task Force
April 7, 2021	COVID-19 Vaccines: What You Need to Know - An Info Session on the Vaccination Program with Resource Speaker Dr. Edsel Maurice Salvana, MD, DTM&H, FPCP, FIDSA	CIM
April 16, 2021	Flu Vaccination (for CLIMBS Employees and their Family Members)	CLIMBS CARES
April 29, 2021	The CDO LGU representatives visited the CLIMBS Head Office in Bulua for a random check and appreciated CLIMBS' efforts in ensuring that the organization is not only compliant but is serious in implementing the minimum health and safety protocols.	CLIMBS CARES
June 1, 2021	Day 1: Swab Testing for Head Office CLIMBS Employees and Distribution of HRAD Care Packs	HRAD
June 2, 2021	Day 2: Swab Testing for Head Office CLIMBS Employees and Distribution of HRAD Care Packs	HRAD
July 21, 2021	Business Continuity in the New Normal	Center for Humanitarian Learning and Innovation (CHLI) and CIM
September 4, 2021	Moderna statement: Quality deviation for product supplied in Japan	
September 7, 2021	CLIMBS HEAD OFFICE COVID-19 VACCINATION DAY (1st Dose)	HRAD
October 8, 2021	CLIMBS HEAD OFFICE COVID-19 VACCINATION DAY (2nd Dose)	HRAD
November 15, 2021	Memorandum From the Executive Secretary - Protocols on the Use of Face Shields	CLIMBS Internal COVID-19 Task Force
December 15, 2021	Pangandam alang sa Bagyong "Odette"! Here is a list of things you need to prepare for your emergency go bag. Stay safe, remain calm, and be prepared!	Marketing Department and CLIMBS CARES
December 16, 2021	Emergency Hotline Numbers for CLIMBS CARES and CDO Hotline	CLIMBS CARES
	CLIMBS Advisory: Suspension of work in all offices heavily affected by Typhoon Odette to ensure safety and protection.	Marketing Department
	BCP Activation: observe call tree process for efficient communication and call our Hotline numbers if you need help.	HRAD
December 21, 2021	CLIMBS Call for Help: Adopt a Cooperative or Community Program for the benefit of Typhoon Odette Victims	Marketing Department and CLIMBS CARES

CLIMBS CARES UPDATES 2021



HOUSEHOLDS REACHED: **2,322**



RELIEF PACKS: **2,939**



AUDIO-VISUAL COMPONENTS: **29**
Adopt-A-School Program



COVID-19 VACCINES DONATED: **670**



BARANGAYS REACHED: **42**



SCHOOL SUPPLIES: **535**
Children from Schools & Barangays



PWDs ASSISTED: **1**
Wheelchair donation



HOSPITAL BENEFICIARIES: **47**



TYPHOON RELIEF AID: **₱1,505,200**
Assistance since 2020



WATER DISTRIBUTED: **1,644,872 gal.**



CARE PACKS: **1,363**



FRONTLINER BENEFICIARIES: **16**
6 Checkpoints
10 Police Stations



OUTREACH GROUPS PARTNERS: **27**



COVID-19 RESPONSE TO COMMUNITY SERVICES & ASSISTANCE: **₱13,786,668**
CDF 2020 & 2021

▶ CLIMBS COMMUNITY ACTION RESPONSE TO EMERGENCY SERVICES



Distribution of Health Care Kits at Tinagpoloan

CLIMBS CARES Community Action Response to Emergency Services

KUSGAN VOLUNTEERS INC.

CLIMBS participates in the

Coastal Clean-Up Drive

"Put Waste in the Right Place, Safe Ocean Save Lives"

FEBRUARY 13, 2021 | 6:00 AM
BARANGAY BONBON, COASTAL AREAS
CAGAYAN DE ORO CITY



Distribution of Relief Goods to Brgy. Dansolihon in partnership with Kusgan Volunteers.



October 29, 2021, 10 vials = 100 doses of Moderna Vaccine Donated to City Health Office.

CLIMBS CARES

Community Action Response to Emergency Services



Installation of canopies to Bugo and El Salvador checkpoints.

December 22-23, 2022, CLIMBS through CLIMBS CARES (Community Action Response to Emergency Services) in partnership with Kusgan Volunteer Inc. initiated relief operations including delivery of food and hygiene kits to devastated areas like Surigao led by CLIMBS President and CEO, Mr. Noel Raboy.



Preparation for "Operation Tabang Bohol Program" for families affected by the recent typhoon Odette, including packing of relief goods and hygiene kits, led by Mr. Noel Raboy (CLIMBS President and CEO) and Mr. Henry Lopez (CLIFSA CEO).

November 20, 2021, free "Operation Tuli Program". The children came and registered with their parents at the KVI Headquarters, Max Suniel, Barangay Carmen, Cagayan de Oro City where the minor surgery set-up was. A total of ten (10) children were circumcised and were provided medications both for pain relief and antibiotics.



December 13, 2021, Climbs Life and General Insurance Cooperative thru CLIMBS CARES opened its heart by giving gifts to children with Leukemia at LEUPAPO shelter Bulua, Cagayan de Oro City, "In everything I have shown you that, by working hard, we must help the weak. In this way we remember the lord Jesus' words: 'It is more blessed to give than to receive.'"



Leukemia Patient and Parents Organization (LEUPAPO)



Continuous Water Distribution

Your unwavering support and trust are vital to the success of our 50th year.

Lastly, with the economies and countries opening up in the new normal, and the lessons that we learned from the last 50 years that ushered us onto the next , we remain steadfast and committed to serve you and in so doing, we have provided opportunities for growth and continuous learning to make us all better individually and as a whole.

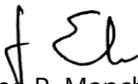
As we look forward to celebrating the next 50 years of CLIMBS, we implore the help of our Almighty who set the times and events in history and allowed us to celebrate together in the new normal at the time of pandemic.

In behalf of CLIMBS Life and General Insurance Cooperative, we are sincerely grateful.

To God be the glory!



Noel D. Raboy, MBAEx
President and CEO



Fr. Elmo P. Manching
BOD Chairperson



Insuring 20 Million Lives by 2024

*Climate Change is real.
What are we doing?*

**CLIMATE
ACTION
NOW!**

WEATHER PROTECT INSURANCE

Enhanced weather protect insurance that covers extreme windspeed and excess rainfall. An agri insurance partnership with Global Partners for sustainable and inclusive protection

Features:

- One (1) year per protection and covers the loan portfolio of the Cooperatives.
- All agri loans from the different branches (if any) can be covered.
- It measures precipitation in millimeter (mm) for rainfall and kilometers/hour for windspeed, summarized for one day (24hours) and its triggered when value is higher than specified values.
- The coverage is composed of multiple levels. Each level trigger a percentage of payouts.
- Multiple trigger can be activated in a year, but the maximum payout over the year is fifty percent (50%) only of the total loan portfolio or the covered amount of this plan.
- Easy access to the system's dashboard with all the needed information.
- Free Smart Farming Advisories.

Annual Premium:

- 8% of the total loan portfolio or the covered amount

Effectivity:

- 10 days at 12 nn after receipt of premium payment.

Beneficiary of Payout:

- As a **meso level** coverage of which the premium is paid by the cooperative, the cooperative then is the beneficiary. The cooperative is responsible for the distribution of benefits to their farmer beneficiaries out of the payout.

What is Parametric Insurance?

Parametric Insurance, also known as index-based cover, offers pre-specified payouts based upon a trigger event. Trigger events depend on the nature of the parametric policy and can include environmental triggers such as wind speed and rainfall measurements, business-related triggers such as foot traffic, and more.



CLIMBS Life and General Insurance Cooperative



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **CLIMBS Life and General Insurance Cooperative (CLIMBS)** is responsible for all information and representations contained in the financial statements for the years ended December 31, 2021 and 2020. The financial statements have been prepared in conformity with Philippine Financial Reporting Framework for Cooperatives as prescribed by Memorandum Circular No. 2015-06 of the Cooperative Development Authority and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.

The Board of Directors (BOD) reviews the financial statements before such statements are approved and submitted to the members of the Cooperative.

Reyes Tacandong & Co., the independent auditors and appointed by the BOD, has examined the financial statements of the cooperative in accordance with Philippine Standards on Auditing and the Standard Audit Systems for Cooperatives, and has expressed an opinion on the fairness of presentation upon completion of such examination, in its report to the members of the cooperative.


Fr. Elmo P. Manching
Chairman


Mr. Noel D. Raboy, MBA Ex
Chief Executive Officer


Mr. Reynaldo G. San Andres, CPA
Chief Financial Officer

Signed this 29th day of March 2022.

Insuring 20 Million Lives by 2024



(088) 856 1355
(08822) 738722



www.climbs.coop
head_office@climbs.coop



CLIMBS Building, Zone 5, Bulua,
9000 Cagayan de Oro City

INDEPENDENT AUDITORS' REPORT

The Members and the Board of Directors
 CLIMBS Life and General Insurance Cooperative (CLIMBS)
 Zone 5, National Highway, Bulua
 Cagayan de Oro City

Opinion

We have audited the financial statements of CLIMBS Life and General Insurance Cooperative (CLIMBS) (“the Cooperative”), which comprise the statements of financial condition as at December 31, 2021 and 2020, and the statements of operations, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial condition of the Cooperative as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Framework for Cooperatives (PFRF for Cooperatives) as prescribed by Memorandum Circular No. 2015-06 of the Cooperative Development Authority (CDA).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA) and Standard Audit System for Cooperatives (SASC). 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 Cooperative 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 the audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report for the year ended December 31, 2021, but does not include the financial statements and our auditors' report thereon. The Annual Report for the year ended December 31, 2021 is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRF for Cooperatives 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 Cooperative'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 Cooperative or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Cooperative'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 PSA and SASC will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 PSA and SASC, we exercise professional judgment and maintain professional skepticism throughout the audit. 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 Cooperative'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 Cooperative'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 Cooperative to cease to continue as a going concern.



- 3 -

- 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 audit.

REYES TACANDONG & Co.

CEDRIC M. CATERIO

Partner

CPA Certificate No. 87322

Tax Identification No. 102-083-647-000

BOA Accreditation No. 4782;

Valid until April 13, 2024

CDA Accreditation No. 0025-AF;

Valid until April 5, 2023

SEC Accreditation No. 1312-AR-2 Group A;

Valid until August 28, 2022

BIR Accreditation No. 19-005765-001-2019;

Valid until December 5, 2022

PTR No. 6360032;

Issued January 5, 2022, Davao City

March 29, 2022

Davao City

CLIMBS LIFE AND GENERAL INSURANCE COOPERATIVE (CLIMBS)
STATEMENTS OF FINANCIAL CONDITION

	Note	December 31	
		2021	2020
ASSETS			
Current Assets			
Cash	6	₱679,469,563	₱522,296,381
Short-term placements	7	387,669,992	513,407,060
Insurance receivables	8	94,315,964	76,055,524
Reinsurance assets	9	–	14,255,828
Financial assets at fair value through profit or loss (FVPL)	10	73,612,014	71,438,294
Current portion of financial assets at cost	10	396,993,005	430,051,629
Accounts and other receivables	11	95,606,921	66,284,177
Prepayments		418,587	1,068,713
Total Current Assets		1,728,086,046	1,694,857,606
Noncurrent Assets			
Financial assets at amortized cost	10	1,381,842,439	1,329,483,980
Financial assets at cost - net of current portion	10	195,765,741	195,241,697
Property and equipment	12	121,099,306	120,687,397
Investment property	13	148,678,531	150,779,208
Other noncurrent assets	14	101,956,557	54,266,364
Total Noncurrent Assets		1,949,342,574	1,850,458,646
TOTAL ASSETS		₱3,677,428,620	₱3,545,316,252
LIABILITIES AND EQUITY			
Current Liabilities			
Insurance contract liabilities	15	₱1,304,523,649	₱1,350,461,701
Due to reinsurers	16	14,354,966	15,360,402
Interest on share capital payable	21	100,800,888	83,402,501
Patronage refund payable	21	43,200,381	35,743,929
Accounts and other payables	17	226,075,589	158,770,418
Total Current Liabilities		1,688,955,473	1,643,738,951
Noncurrent Liabilities			
Retirement payable	18	13,898,633	19,417,417
Other noncurrent liabilities	19	3,002,997	1,799,852
Total Noncurrent Liabilities		16,901,630	21,217,269
Equity			
Members' equity	20	1,679,939,122	1,624,510,348
Statutory funds:	21		
Reserve fund		154,861,384	134,289,774
Cooperative education and training fund		17,211,932	15,088,705
Community development fund		8,029,254	9,341,507
Optional fund		111,529,825	97,129,698
Total Equity		1,971,571,517	1,880,360,032
TOTAL LIABILITIES AND EQUITY		₱3,677,428,620	₱3,545,316,252

CLIMBS LIFE AND GENERAL INSURANCE COOPERATIVE (CLIMBS)
STATEMENTS OF OPERATIONS

	Note	Years Ended December 31	
		2021	2020
REVENUE			
Gross premiums earned on insurance contracts	22	₱1,949,234,001	₱1,728,084,092
Reinsurers' share of gross premiums earned on insurance contracts	22	(34,819,640)	(33,955,556)
Net insurance premiums		1,914,414,361	1,694,128,536
Income/interest from investments/deposits	6	66,133,005	80,813,442
Commissions and other underwriting income		20,367,004	3,075,581
		2,000,914,370	1,778,017,559
BENEFITS, CLAIMS AND EXPENSES			
Benefits and claims incurred on insurance contracts	23	1,058,350,068	745,783,862
Collection costs	24	583,381,549	550,025,630
Salaries and benefits	25	117,691,825	96,106,269
Increase (decrease) in insurance contract liabilities	15	(68,180,481)	118,268,641
General and administrative expenses	26	56,248,176	65,668,114
Depreciation and amortization	12	22,518,184	23,603,872
		1,770,009,321	1,599,456,388
OTHER EXPENSES - Net	27	(25,188,950)	(8,351,982)
NET SURPLUS		₱205,716,099	₱170,209,189
DISTRIBUTION OF NET SURPLUS			
Statutory funds:	21		
Reserve fund		₱20,571,610	₱17,020,920
Cooperative education and training fund		20,571,610	17,020,920
Community development fund		6,171,483	5,106,276
Optional fund		14,400,127	11,914,643
Interest on share capital and patronage refund		144,001,269	119,146,430
		₱205,716,099	₱170,209,189

See accompanying Notes to Financial Statements.

CLIMBS LIFE AND GENERAL INSURANCE COOPERATIVE (CLIMBS)
STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31			
	Note	Number of Shares			
		2021	2020	2021	2020
MEMBERS' EQUITY					
Common share capital -					
₱1,000 par value					
Authorized		2,500,000	2,500,000		
Subscribed:					
Balance at beginning of year		1,538,712	1,436,907	₱1,538,712,000	₱1,436,907,000
Additions		244,121	192,296	244,121,000	192,296,000
Withdrawals		(150,070)	(90,491)	(150,070,000)	(90,491,000)
Balance at end of year		1,632,763	1,538,712	1,632,763,000	1,538,712,000
Subscriptions receivable:					
Balance at beginning of year				(91,979,512)	(45,697,717)
Additions				(244,121,000)	(192,296,000)
Collections				243,523,105	142,543,244
Withdrawals				5,756,231	3,470,961
Balance at end of year				(86,821,176)	(91,979,512)
				1,545,941,824	1,446,732,488
Preferred share capital -					
₱1,000 par value					
Authorized		500,000	500,000		
Subscribed:					
Balance at beginning of year		184,931	196,759	184,931,000	196,759,000
Additions		21,010	28,068	21,010,000	28,068,000
Withdrawals		(68,296)	(39,896)	(68,296,000)	(39,896,000)
Balance at end of year		137,645	184,931	137,645,000	184,931,000
Subscriptions receivable:					
Balance at beginning of year				(7,153,140)	(5,679,533)
Additions				(21,010,000)	(28,068,000)
Collections				24,040,911	26,317,192
Withdrawals				474,527	277,201
Balance at end of year				(3,647,702)	(7,153,140)
				133,997,298	177,777,860
				1,679,939,122	1,624,510,348

(Forward)

- 2 -

	Note	Years Ended December 31	
		2021	2020
STATUTORY FUNDS	21		
Reserve Fund			
Balance at beginning of year		₱134,289,774	₱117,268,854
Allocation from net surplus		20,571,610	17,020,920
Balance at the end of year		154,861,384	134,289,774
Cooperative Education and Training Fund			
Balance at beginning of year		15,088,705	9,411,500
Allocation from net surplus		20,571,610	17,020,920
Payable to federation		(10,285,805)	(8,510,460)
Disbursements		(8,162,578)	(2,833,255)
Balance at end of year		17,211,932	15,088,705
Community Development Fund			
Balance at beginning of year		9,341,507	20,481,782
Allocation from net surplus		6,171,483	5,106,276
Disbursements		(7,483,736)	(16,246,551)
Balance at end of year		8,029,254	9,341,507
Optional Fund			
Balance at beginning of year		97,129,698	85,215,055
Allocation from net surplus		14,400,127	11,914,643
Balance at end of year		111,529,825	97,129,698
		291,632,395	255,849,684
		₱1,971,571,517	₱1,880,360,032

See accompanying Notes to Financial Statements.

CLIMBS LIFE AND GENERAL INSURANCE COOPERATIVE (CLIMBS)
STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus		₱205,716,099	₱170,209,189
Adjustments for:			
Provision for probable losses of insurance receivables	8	2,166,355	13,958,081
Provision for impairment of financial assets at cost	10	45,440,462	–
Loss (gain) on changes in fair values of financial assets at FVPL	10	(2,343,720)	12,266,299
Depreciation and amortization	12	22,518,184	23,603,872
Decrease (increase) in insurance contract liabilities	15	(68,180,481)	143,508,482
Remeasurement loss (gain) on retirement payable	18	(10,122,121)	6,200,140
Retirement costs	18	5,187,005	4,459,626
Gain on disposal of property and equipment	27	(37,200)	(12,369)
Operating surplus before working capital changes		200,344,583	374,193,320
Decrease (increase) in:			
Short-term placements		125,737,068	(60,016,190)
Insurance receivables		(20,426,795)	(29,386,815)
Reinsurance assets		14,255,828	(171,927)
Accounts and other receivables		(29,322,744)	11,210,735
Prepayments		650,126	112,561
Increase (decrease) in:			
Insurance contract liabilities		22,242,429	17,953,597
Due to reinsurers		(1,005,436)	4,754,326
Accounts and other payables		57,019,366	60,744,142
Net cash generated from operations		369,494,425	379,393,749
Retirement benefits paid from operating funds	18	(583,668)	(5,650,666)
Net cash flows from operating activities		368,910,757	373,743,083
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in financial assets at:			
FVPL		170,000	5,695,858
Amortized cost		(52,358,459)	(128,533,578)
Cost		(12,905,882)	36,031,730
Acquisitions of:			
Property and equipment	12	(15,564,849)	(27,415,944)
Investment property	13	–	(58,984)
Additions to computerization costs	14	(3,231,536)	(4,754,721)
Proceeds from disposal of property and equipment		37,200	91,002
Increase in other noncurrent assets		(49,723,224)	(40,746,329)
Net cash flows used in investing activities		(133,576,750)	(159,690,966)

(Forward)

- 2 -

	Note	Years Ended December 31	
		2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in other noncurrent liabilities		₱1,203,145	₱225,157
Collections of members' share capital		148,417,586	56,268,992
Withdrawals of members' share capital		(212,135,242)	(126,638,838)
Disbursements from statutory funds		(15,646,314)	(19,079,806)
Payments of dividend and patronage refund		–	(348,324)
Net cash flows used in financing activities		(78,160,825)	(89,572,819)
NET INCREASE IN CASH		157,173,182	124,479,298
CASH AT BEGINNING OF YEAR		522,296,381	397,817,083
CASH AT END OF YEAR		₱679,469,563	₱522,296,381
NONCASH FINANCIAL INFORMATION			
Conversion of dividend and patronage refund to share capital	20, 21	₱119,146,430	₱112,591,444

See accompanying Notes to Financial Statements.

CLIMBS LIFE AND GENERAL INSURANCE COOPERATIVE (CLIMBS)

NOTES TO FINANCIAL STATEMENTS

AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

1. Cooperative Information

CLIMBS Life and General Insurance Cooperative (CLIMBS) (“the Cooperative”) is a national federation of cooperatives organized on March 17, 2004 and was originally registered with the Cooperative Development Authority (CDA) under Registration No. 0202100010 in accordance with the provisions of Republic Act (R.A.) No. 6938. The Cooperative obtained its insurance license to operate as an insurance cooperative from the Insurance Commission (IC) on April 28, 2004. The Cooperative was re-registered with the CDA under Registration No. 9520-10008741 on March 1, 2010 in accordance with the provisions of R.A. No. 9520, otherwise known as the Philippine Cooperative Code of 2008.

The Cooperative has composite insurance license to operate as a life and general insurance cooperative granted by the IC with Certificate of Authority No. 2022/32-R which is valid until December 31, 2024.

The primary purposes of the Cooperative are as follows:

- To provide protection for the life, health and property of the members;
- To conduct, transact, or carry on, and undertake insurance business in all its member-cooperatives and other third persons (juridical or natural) pertaining to life and nonlife such as accident, health, property and surety agreement; to write insurance contracts providing for all risks, hazards, guarantees and contingencies to which life, accident, health, property and surety insurance is applicable; to grant endowment and annuities, payable between any fixed period or contingencies to their commencement or determination upon any event dependent upon human life or the birth or failure of issues; to issue insurance policies providing for participation or non-participation of profits; and,
- To give protection and encouragement on the capital and savings deposits of the individual members of the cooperative.

The secondary purposes of the Cooperative are as follows:

- To reinsure all or parts of the risks underwritten by the Cooperative and to undertake all kinds of reinsurance to the extent allowed by law;
- To establish a training institute on financial literacy and management; and,
- To engage in the business of real estate; acquiring, selling, disposing, leasing and encumbering its properties.

One of the Cooperative’s divisions is engaged in the business of underwriting life insurance, offering to members and beneficiaries the following products:

1. Coop Life Savings Plan;
2. Coop Loan Protection Plan (CLPP);
3. Group Yearly Renewal Term (GYRT); and,
4. Permanent Plan (5 Pay Life, 5 Pay Life - 15 years endowment, 10 Pay Life - 15 years endowment)

Other than individual and group life insurances, the Cooperative also offers nonlife standard and micro-insurance contracts for all risks, hazards and contingencies for marine, fire, motor car and other casualty insurances, as applicable.

The registered office address of the Cooperative is at Zone 5, National Highway, Bulua, Cagayan de Oro City, Philippines.

On May 10, 2021, the Cooperative was granted by the CDA a Certificate of Compliance (COC) under COC No. 10-2021-2436 which is valid until April 30, 2022.

The financial statements were authorized for issuance by the Board of Directors (BOD) on March 29, 2022.

2. Organization and Tax Exemption

Under R.A. No. 9520, cooperatives are exempted from the payment of all national, city, provincial, municipal or barangay taxes of whatever name and nature, including exemption from customs duties, advance sales of compensating taxes on its importation of machinery, equipment and spare parts which are not available locally as certified by the Department of Trade and Industry.

The cooperative shall enjoy exemptions from government taxes or fees imposed under internal revenue laws provided that the cooperative does not transact business with non-members or the general public. The cooperative, if transacting business with both members and non-members or the general public, may be exempt from tax if the accumulated reserves and undivided net savings of the cooperative does not exceed ₱10 million. The Cooperative serves its members only. Accordingly, the Cooperative is exempt from taxes, including income tax, under R.A. No. 9520.

On March 15, 2017, the Bureau of Internal Revenue (BIR) granted the Cooperative a Certificate of Tax Exemption (CTE), which is valid until March 15, 2022. On January 20, 2022, the Cooperative applied for the renewal of its CTE with the BIR. On March 28, 2022, the BIR approved the renewal of the Cooperative's CTE which is valid until March 28, 2027.

3. Basis of Accounting

Basis of Preparation

The financial statements have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss (FVPL) and plan assets, which are carried at fair value and retirement payable which is computed based on the present value of its obligations under defined benefit plans.

For assets, historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire the asset at the time of its acquisition. For liabilities, historical cost is the amount of proceeds of cash or cash equivalents received or the fair value of non-cash assets received in exchange for the obligation at the time the obligation is incurred, or in some circumstances the amounts of cash or cash equivalents expected to be paid to settle the liability in the normal course of business. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in a normal transaction.

The financial statements are presented in Philippine Peso, the Cooperative's functional currency. All amounts are rounded to the nearest peso except when otherwise stated.

Statement of Compliance

The financial statements have been prepared in compliance with Philippine Financial Reporting Framework for Cooperatives (PFRF for Cooperatives) as prescribed by Memorandum Circular (MC) No. 2015-06 of the CDA. The PFRF for Cooperatives was developed from the Philippine Financial Reporting Standard for Small and Medium-sized Entities. Modifications were made on several provisions of the standard taking into consideration cooperative and insurance laws, rules, regulations and principles.

Revised Standard Chart of Accounts for Cooperatives

CDA MC No. 2016-06 prescribes the usage of Standard Chart of Accounts for Cooperatives in conformity with the PFRF for Cooperatives. The MC shall be applied in the accounting and financial reporting of all types of cooperatives duly registered with the CDA pursuant to R.A. No. 9520.

4. Summary of Significant Accounting Policies**Financial Instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Cooperative recognizes a financial asset or a financial liability only when the Cooperative becomes a party to the contractual provisions of the instrument. Financial instruments are classified as cash, loans and receivables, financial assets at FVPL, financial assets at cost, financial assets at amortized cost, and other financial assets or liabilities, as appropriate.

When a financial asset or financial liability is recognized initially, the Cooperative measures it at the transaction price unless the arrangement constitutes, in effect, a financing transaction. A financing transaction may take place in connection with the sale of goods or services, for example, if payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate. If the arrangement constitutes a financing transaction, the Cooperative measures the financial asset or financial liability at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

At the end of each reporting period, the Cooperative measures financial instruments as follows, without any deduction for transaction costs on the sale or disposal:

Cash. Cash includes cash in banks, cash in other cooperatives and working funds.

Classified as cash are the Cooperative's cash in banks, cash in other cooperatives and working funds presented under "Cash".

Loans and receivables. Loans and receivables are financial assets with fixed or determinable payments and are not quoted in an active market. Such assets are carried at undiscounted amount of cash or other consideration expected to be received, less any allowance for impairment.

Classified as loans and receivables are the Cooperative's short-term placements, insurance receivables, reinsurance assets, accounts and other receivables, and refundable deposits (presented under "Other noncurrent assets").

Financial assets at FVPL. Financial assets at FVPL include investments in publicly-traded securities that are held for trading and are quoted in an active market. These investments are measured at fair value. Gains or losses on financial assets at FVPL are recognized in the statement of operations.

Classified as financial assets at FVPL are the Cooperative's investments in publicly-traded securities which are measured at fair value presented under "Financial assets at FVPL".

Financial assets at cost. Financial assets at cost include investments in unquoted equity securities, mutual funds and other externally managed funds. These investments are measured at cost less any impairment in value.

Classified as financial assets at cost are the Cooperative's investments in shares of stock of related parties, cooperative banks and other cooperatives, mutual funds and externally managed funds.

Financial assets at amortized cost. Financial assets at amortized cost include financial assets with fixed or determinable payments and investments in debt instruments which are measured at amortized cost using the straight-line method, less any impairment in value.

Classified as financial assets at amortized cost are the Cooperative's investments in retail treasury bonds, corporate bonds, fixed-rate treasury notes and long-term negotiable certificate of deposits.

Financial liabilities at amortized cost. Financial liabilities at amortized cost are not publicly-traded and are not quoted in an active market. These liabilities are measured at amortized cost using the effective or straight-line interest amortization method.

Classified as financial liabilities at amortized cost are the Cooperative's insurance contract liabilities, due to reinsurers, interest on share capital payable, patronage refund payable, accounts and other payables (excluding statutory payables), and other noncurrent liabilities.

Impairment of Financial Assets

In relation to loans and receivables, a provision for impairment is made when there is objective evidence (such as the significant financial difficulty of the debtor, default or delinquency in interest or principal payments, probability that the debtor will enter bankruptcy or other financial reorganization and the like) that the Cooperative will not be able to collect all of the amounts due under the original terms of the loan. If there is objective evidence of impairment, the Cooperative recognizes an impairment loss in profit or loss immediately. The carrying amount of the loans and receivables are reduced by setting up an allowance account.

Allowance for impairment losses is maintained at a level considered adequate to provide for potential losses on loans and receivables. The allowance is increased by provision charged to profit or loss and reduced by reversal or write-offs. The level of allowance is based on past due amount using portfolio at risk (PAR) as prescribed by the CDA.

In relation to financial assets at cost and at amortized cost, the Cooperative assesses at each reporting date whether there is objective evidence of impairment. If there is objective evidence of impairment, the Cooperative recognizes an impairment loss in profit or loss immediately.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the Cooperative reverses the previously recognized impairment loss either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognized. The Cooperative recognizes the amount of the reversal in profit or loss immediately.

Derecognition of Financial Assets

The Cooperative derecognizes a financial asset only when:

- the contractual rights to the cash flows from the financial assets expire or are settled; or,
- the Cooperative transfers to another party substantially all of the risks and rewards of ownership of the financial assets; or,
- the Cooperative, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the Cooperative:
 - Derecognizes the asset; and,
 - Recognizes separately any rights and obligations retained or created in the transfer.

The carrying amount of the transferred asset is allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations is measured at their fair values at that date. Any difference between the consideration received and the carrying amounts is recognized in the statement of operations in the period of the transfer.

If a transfer does not result in derecognition because the Cooperative has retained significant risks and rewards of ownership of the transferred asset, the Cooperative continues to recognize the transferred asset in its entirety and recognizes a financial liability for the consideration received. The asset and liability are not offset. In subsequent periods, the Cooperative recognizes any income on the transferred asset and any expense incurred on the financial liability.

Derecognition of Financial Liabilities

The Cooperative derecognizes a financial liability (or a part of a financial liability) only when it is extinguished (i.e., when the obligation specified in the contract is discharged, cancelled or expired).

If an existing borrower and lender exchange financial instruments with substantially different terms, the Cooperative accounts for the transaction as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Cooperative accounts for a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) as an extinguishment of the original financial liability and the recognition of a new financial liability.

The Cooperative recognizes in the statement of operations any difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed.

Offsetting of Financial Instruments

The Cooperative does not offset financial assets and liabilities unless required or permitted by PFRF for Cooperatives.

Insurance Contracts

Product Classification. Insurance contracts are those contracts under which the Cooperative (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholder. As a general guideline, the Cooperative determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risks.

Benefits and Claims. Claims consist of benefits and claims incurred on insurance contracts. Death claims and nonlife insurance claims are recorded on the basis of notifications received. Maturities are recorded when due.

Policy Acquisition Costs. Collection costs and other acquisition costs pertain to expenses that are directly attributable in securing new insurance contracts and renewal of existing contracts. For life insurance contracts, these are recognized in profit or loss when incurred. For nonlife insurance contracts, these are recognized using the 24th method of amortization as required by IC.

Liability Adequacy Tests. At each reporting date, liability adequacy tests are performed to ensure the adequacy of the contract liabilities net of reinsurance assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as returns from assets backing such liabilities are used. Any deficiency is immediately recognized in profit or loss.

Reinsurance Contracts Held. Contracts entered into by the Cooperative with reinsurers under which the Cooperative is compensated for losses on one or more contracts issued by the Cooperative and that meet the classification requirement for insurance contracts are classified as reinsurance contracts held.

The benefits to which the Cooperative is entitled to under its reinsurance contracts held are recognized as reinsurance assets. These include short-term balances due from reinsurers. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. The share of reinsurers in premiums and claims are recognized simultaneously with the related insurance contracts issued by the Cooperative.

If there is objective evidence that reinsurance assets are impaired, the Cooperative reduces the carrying amount of the reinsurance assets and recognizes the impairment loss in profit or loss.

Receivables and Payables Related to Insurance Contracts. Receivables and payables are recognized when due. These include amounts due to and from agents, brokers and insurance contract holders. If there is objective evidence that the insurance receivable is impaired, the Cooperative reduces the carrying amount of the insurance receivable and recognizes the impairment loss in profit or loss.

Property and Equipment

Property and equipment is measured at its cost at initial recognition. The cost of an item of property and equipment is the cash price equivalent at the recognition date. If payment is deferred beyond normal credit terms, the cost is the present value of all future payments. The cost of property and equipment comprises of the following:

- its purchase price, including legal and brokerage fees, import duties and nonrefundable purchase taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- any costs of site preparation, initial delivery and handling, installation and assembly, and testing of functionality;
- any estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Cooperative incurs either when the item is acquired or as a consequence of having used the item during a particular period; and,
- any interest and other financing cost of funds borrowed intended for the construction or development of an asset.

Property and equipment is measured after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any impairment in value. The Cooperative recognizes the costs of day-to-day servicing of an item of property and equipment in the statement of operations in the period in which the costs are incurred.

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

Category	Number of Years
Land improvements	5
Building and improvements	15-25
Transportation equipment	3-5
Furniture, fixtures and office equipment	2-5

The useful lives and method of depreciation are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected usage of the assets.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of those assets.

Construction in progress is stated at cost, which includes cost of materials, labor and other construction related costs incurred. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operational use.

When property and equipment is disposed, gain or loss arising from the disposal is the difference between the net disposal proceeds, if any, and the carrying amount of the property and equipment. The gain or loss is recognized in the statement of operations.

Investment Property

Investment property is measured at its cost at initial recognition. Investment property pertains to land not used in operation and building held for rentals. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure such as legal and brokerage fees, property transfer taxes and other transaction costs. If payment is deferred beyond normal credit terms, the cost is the present value of all future payments.

Investment property is measured after initial recognition at cost less accumulated depreciation and accumulated impairment losses. Depreciation of buildings held for rentals is computed on a straight-line basis over a maximum period of 25 years.

Transfers are made to, or from, investment property when, and only when, the property meets, or ceases to meet, the definition of an investment property.

Advances for Property Acquisition

Advances for property acquisition are payments made for purchases of property. Reclassification to proper asset accounts is done upon receipt of required documents supporting the transfer of ownership to the Cooperative.

Computerization Cost

Computerization cost is measured at cost at initial recognition. The cost comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Computerization cost is measured after initial recognition at cost less any accumulated amortization and any accumulated impairment losses. Amortization of computerization costs is computed on a straight-line basis over a period of three to five years.

Impairment of Nonfinancial Assets

The Cooperative assesses at reporting date whether there is an indication that prepayments, property and equipment, investment property, advances for property acquisition and computerization cost (both presented under "Other noncurrent assets") may be impaired. An impairment loss is recognized in the statement of operations when the recoverable amount of an asset is less than its carrying amount. An impairment loss is recognized in profit or loss immediately.

The Cooperative assesses at each reporting date whether there is any indication that an impairment loss recognized in prior periods may no longer exist or may have decreased. If any such indication exists, the Cooperative determines whether all or part of the prior impairment loss is reversed in the case of an individual asset or cash-generating unit to which the asset belongs. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Insurance Contract Liabilities

A liability for incurred policy benefits relating to insurance contracts is accrued when premium revenue is recognized. The Cooperative assesses at each reporting date whether insurance contract liabilities are adequate, using the current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance contract liabilities changes in the light of the estimated future cash flows, the change shall be recognized in profit or loss.

The Cooperative's insurance contract liabilities are determined based on the approved valuation method by the IC and using management's estimates for other reserves. These liabilities are derecognized upon the death of policyholder, happening of the insured event, or when the contract has matured, lapsed or has been surrendered by the policyholder.

Related Parties

A related party is a person or entity that is related to the Cooperative.

A person is related to the Cooperative if that person or that person's close family member:

- is a member of the key management personnel of the Cooperative;
- has control over the Cooperative; or,
- has joint control or significant influence over the Cooperative or has significant voting power in it.

An entity is related to the Cooperative if any of the following conditions applies:

- the entity is an associate, subsidiary or joint venture of the Cooperative;
- the entity is a post-employment benefit plan for the benefit of employees of the Cooperative; or,
- the Cooperative is controlled or jointly controlled by a person identified above.

In considering each possible related party relationship, the Cooperative assesses the substance of the relationship and not merely the legal form.

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

Equity

Members' equity. Members' equity are composed of common share capital and preferred share capital.

Common share capital. Common share capital is measured at par value for all shares subscribed. Common shares are available to regular members only.

Preferred share capital. Preferred share capital is measured at par value for all shares subscribed. Preferred shares are available to regular and associate members.

Statutory funds. Statutory funds are composed of reserve fund, cooperative education and training fund, community development fund and optional fund. The funds represent the cumulative balance of the allocation from the distribution of net surplus each year and disbursements thereof.

Revenue

Revenue arises in the course of the ordinary activities of the Cooperative and results directly from the recognition and measurement of assets and liabilities. Revenue is recognized if there is an increase in future economic benefits which can be measured reliably. The following specific recognition criteria must also be met before revenue is recognized:

Life insurance premiums. Insurance premiums are recorded as income as these are collected, usually at the policy anniversary date. Accrual of uncollected premiums is made at the end of the year if the grace period is still in effect. Single premiums, however, are amortized over the term of the policy which are recorded as income at each policy anniversary date. Premium income is also deducted by the amount of premiums on insurance business ceded.

Nonlife insurance premiums. Gross insurance written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period and are recognized on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period for premiums receivable in respect of business written in prior periods.

Premiums from short-duration insurance contracts are recognized as revenue over the period of the contracts using the 24th method, except for the marine cargo where premiums for the last two months are considered earned the following year. The portion of the premiums written that relate to the unexpired periods of the policies at the reporting dates are accounted for as provision for unearned premiums as part of the insurance contract liabilities and presented in the liabilities section of the statement of financial condition. The related reinsurance premiums ceded that pertains to the unexpired periods at reporting dates are accounted for as deferred reinsurance premiums and shown as part of reinsurance assets in the statement of financial condition.

Income/interest from investments/deposits. Dividend income and interest are recognized when earned.

Commissions and other underwriting income. Commissions earned from short-duration insurance contracts are recognized as revenue over the period of the contracts using the 24th method, except for marine cargo where the deferred reinsurance commissions that relate to the unexpired periods of the policies at the end of the reporting period are accounted for as deferred reinsurance commissions and presented in the liabilities section.

Other income. Other income is recognized when earned.

Costs and Expenses

The recognition of expenses results directly from the recognition and measurement of assets and liabilities. Costs and expenses are recognized when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. These are recognized as expense when incurred.

Benefits and claims. Gross benefits and claims consist of benefits and claims paid to policyholders and changes in the gross valuation of insurance contract liabilities, except for gross changes in the provision for unearned premiums which are included in net premiums earned. It further includes internal and external claims handling cost that are directly related to the processing and settlement of claims. Amounts receivable in respect of salvage and subrogation are also considered. General insurance claims are recorded on the basis of notifications received.

Share in liabilities for claim costs and claim adjustment expenses relating to insurance contracts are accrued when insured events occur. The shares in liabilities for claims are based on the estimated ultimate cost of settling the claims. The method of determining such estimates and establishing reserves are continually reviewed and updated. Changes in estimates of claim costs resulting from the continuous review process and differences between estimates and payments are recognized as income or expense of the period in which the estimates are changed or payments are made.

Collection costs, salaries and benefits, and general and administrative expenses. These constitute administrative costs of operating the business and costs incurred to sell and market the services. These are expensed when incurred.

Retirement Plan

The Cooperative has a funded, noncontributory and defined benefit retirement plan, administered by an independent trustee, covering all qualified employees. The defined benefit obligation and the related expense are measured using the projected unit credit method, which is determined by an independent actuary. Actuarial gains or losses are recognized in the statement of operations in the period in which they occur.

The retirement payable is the present value of its obligations under defined benefit plans less the fair value at the reporting date of plan assets out of which the obligations are to be settled directly and any unrecognized past service costs.

Actuarial valuations are made with sufficient regularity that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at reporting date.

Allocation and Distribution of Net Surplus

The net surplus of the Cooperative, as required by R.A. No. 9520 and By-Laws of the Cooperative, should be distributed as follows:

Statutory Funds

- ***Reserve Fund***
An amount for the reserve fund, which is 10% of the net surplus. This fund is set aside for the stability of the Cooperative and to meet net losses in its operations, if any, in its business operations. The general assembly may decrease the amount allocated to reserve fund when such fund exceeds the share capital.
- ***Cooperative Education and Training Fund***
An amount for the education and training fund, which is 10% of the net surplus. This fund is set aside for training, development and other similar cooperative activities geared towards the growth of the cooperative movement. Half of the amount transferred to this fund is spent by the Cooperative for education and training purposes; while the other half may be remitted to the cooperative education and training fund of the union or federation chosen by the Cooperative.
- ***Community Development Fund***
An amount for the community development fund, which is 3% of the net surplus. This fund is set aside for projects or activities that will benefit the community where the Cooperative operates.
- ***Optional Fund***
An amount for the optional fund, which is 7% of the net surplus. This fund is intended for future use such as acquisition of land and building, or any other necessary purpose.

Interest on Share Capital and Patronage Refund

The remaining net surplus is made available to the members in the form of interest on share capital and patronage refunds not to exceed the normal rate of return on investments and patronage refund.

Provisions

Provisions are recognized when the Cooperative has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingencies

Contingent liabilities are not recognized in the financial statements. These are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed in the notes to financial statements when inflows of economic benefits are probable.

Changes in Accounting Policies and Estimates and Correction of Prior Period Errors

The Cooperative changes its accounting policies if the change is required by PFRF for Cooperatives or as a result of providing reliable and more relevant information about the effects of transactions, other events or conditions on the Cooperative's financial condition. The Cooperative recognizes the effect of changes in accounting policies in the period of change.

In relation to changes in accounting estimates, the Cooperative recognizes the effect of the change prospectively by including it in profit or loss in the period of change and future periods, if applicable.

Prior period errors are omissions from, and misstatements in, the Cooperative's financial statements for one or more periods arising from mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretation of facts or fraud. The Cooperative recognizes the effect of the correction of prior period error in the financial statements of the current period.

Events After the End of the Reporting Period

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

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Cooperative's financial statements requires management to exercise judgment, use estimates and make assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in an outcome that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgments, estimates and assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Cooperative believes the following represent a summary of judgments, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities, as well as to the related revenue and expenses, within the next fiscal year, and related impact and associated risk in the financial statements.

Judgments

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

Classification of Properties. Management determines the classification of a property depending on its use. The Cooperative classifies its owner-occupied properties as property and equipment. Properties held to earn rentals or for capital appreciation are classified as investment properties. The change of use of properties will trigger a change in classification and accounting of these properties.

The carrying amounts of property and equipment, and investment property are disclosed in Notes 12 and 13, respectively.

Legal Contingencies. The estimate of probable costs for the resolution of possible claims is developed in consultation with outside counsel handling the Cooperative's defense in these matters and is based upon an analysis of potential results. As at March 29, 2022, the Cooperative is not involved in any significant legal cases. No provision for probable losses arising from legal contingencies was recognized in 2021 and 2020.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that 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:

Estimation of Allowance for Probable Losses on Loans and Receivables. The Cooperative assesses at each reporting period whether there is an indication that the receivables may be impaired. If any such indication exists, the Cooperative estimates the allowance for probable losses of receivables based on the past due amount.

The aggregate carrying values of short-term placements, insurance receivables, reinsurance assets, accounts and other receivables, and refundable deposits (presented under "Other noncurrent assets") amounted to ₱579.6 million and ₱672.2 million as at December 31, 2021 and 2020, respectively, net of allowance for probable losses amounting to ₱27.3 million and ₱25.1 million as at December 31, 2021 and 2020, respectively (see Notes 7, 8, 9, 11 and 14). Provision for probable losses of insurance receivables amounted to ₱2.2 million and ₱14.0 million in 2021 and 2020, respectively (see Note 8).

Estimation of Allowance for Impairment Losses on Financial Assets at Amortized Cost and Cost. The Cooperative assesses at each reporting period whether there is objective evidence that a financial asset or group of similar financial assets is impaired.

If the financial asset at cost is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in the statement of operations, is charged in the statement of operations. Reversals of impairment losses are made through the statement of operations if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in the statement of operations.

The aggregate carrying values of financial assets at amortized cost and cost amounted to ₱2.0 billion as at December 31, 2021 and 2020, net of allowance for impairment of financial assets at cost amounting to ₱45.4 million as at December 31, 2021 (see Note 10). Provision for impairment of financial assets at cost amounted to ₱45.4 million in 2021 (see Note 27).

Estimation of Useful Lives of Property and Equipment (except Land), Investment Property, and Computerization Cost. The Cooperative estimates the useful lives of property and equipment (except land), investment property, and computerization cost based on the expected usage of the asset, which is assessed by reference to the asset's expected capacity or physical output. Expected physical wear and tear, technical or commercial obsolescence and legal or similar limits on the use of the asset are also considered in determining the useful life of the assets. The estimated useful lives of the assets are reviewed periodically and updated if there has been a significant change since the last annual reporting date in the pattern by which the Cooperative expects to consume an asset's future economic benefits. While the Cooperative believes that the assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the determination of the estimated useful lives of the assets.

The aggregate carrying values of property and equipment, investment property, and computerization cost (presented under “Other noncurrent assets”) amounted to ₱279.8 million and ₱283.5 million as at December 31, 2021 and 2020, respectively (see Notes 12, 13 and 14). There was no change in the estimated useful lives of property and equipment, investment property, and computerization cost in 2021 and 2020.

Estimation of Impairment for Nonfinancial Assets. In assessing whether there is any indication that an asset may be impaired, the Cooperative considers certain internal and external sources of information, as follows:

Internal sources of information such as:

- Evidence is available of obsolescence or physical damage of an asset;
- Significant changes with an adverse effect on the Cooperative have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite; or,
- Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected. In this context economic performance includes operating results and cash flows.

External sources of information such as:

- During the period, an asset’s market value has declined significantly more than would be expected as a result of the passage of time or normal use;
- Significant changes with an adverse effect on the Cooperative have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Cooperative operates or in the market to which an asset is dedicated;
- Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect materially the discount rate used in calculating an asset’s value in use and decrease the asset’s fair value less costs to sell; or,
- The carrying amount of the net assets of the Cooperative is more than the estimated fair value of the Cooperative as a whole.

The aggregate carrying values of prepayments, property and equipment, investment property, advances for property acquisition and computerization cost (both presented under “Other noncurrent assets”) amounted to ₱370.2 million and ₱324.6 million as at December 31, 2021 and 2020, respectively (see Notes 12, 13 and 14). No provision for impairment in nonfinancial assets was recognized in 2021 and 2020.

Estimation of Legal Policy Reserves and Unearned Premium Reserves. Reserves are set up as requirement pursuant to the provision and guidelines set by the IC, which should not be less than the reserves required. These are computed using assumptions that are based on the standard mortality and morbidity tables, interest rates, lapse and/or persistency, expenses, non-guaranteed benefits, margin for adverse deviation and management’s estimates as required by the IC.

The aggregate carrying values of legal policy reserves and unearned premium reserves amounted to ₱877.3 million and ₱945.4 million as at December 31, 2021 and 2020, respectively (see Note 15).

Estimation of Incurred but not Reported Claims. Provision is made for the cost of claims incurred but not yet reported as at reporting date based on the Cooperative's experience and historical data. Differences between the provision for outstanding claims at the reporting date and subsequent revisions and settlements are recognized in profit or loss of subsequent years.

Incurred but not reported claims amounted to ₱154.5 million and ₱81.6 million as at December 31, 2021 and 2020, respectively (see Note 15).

Estimation of Retirement Liability. The determination of the obligation and costs of retirement benefits is dependent on the assumptions used by the actuary in calculating such amounts. These assumptions are described in Note 18 to financial statements and include, among others, discount rates and salary increase rates.

Retirement payable amounted to ₱13.9 million and ₱19.4 million as at December 31, 2021 and 2020, respectively (see Note 18).

6. Cash

This account consists of:

	2021	2020
Cash in banks	₱414,116,382	₱275,515,340
Cash in other cooperatives	263,102,126	245,606,128
Working funds	2,251,055	1,174,913
	₱679,469,563	₱522,296,381

Cash in banks and in other cooperatives earn interest at the respective deposit rates.

Working funds represent petty cash funds and revolving funds.

The details of income/interest from investments/deposits are as follows:

	Note	2021	2020
Cash		₱5,652,080	₱5,549,387
Short-term placements	7	4,385,368	13,033,256
Financial assets at FVPL	10	2,014,091	3,686,311
Financial assets at cost	10	401,789	735,378
Financial assets at amortized cost	10	53,476,949	57,646,369
Loans receivable	11	202,728	162,741
		₱66,133,005	₱80,813,442

7. Short-Term Placements

Short-term placements amounting to ₱387.7 million and ₱513.4 million as at December 31, 2021 and 2020, respectively, represent investments in time deposits with terms of more than three months to less than one year from the date of placement and earn interest ranging from 0.4% to 5% per annum and 0.5% to 7% per annum in 2021 and 2020, respectively.

Interest income amounted to ₱4.4 million and ₱13.0 million in 2021 and 2020, respectively (see Note 6).

8. Insurance Receivables

This account consists of:

	2021	2020
Premiums receivable	P119,861,539	P78,786,036
Due from reinsurers	953,870	21,575,819
Automatic contribution loans (ACL) from Mutual Aid Services (MAS) members	664,867	664,867
Policy loans	94,652	121,411
	121,574,928	101,148,133
Allowance for probable losses	(27,258,964)	(25,092,609)
	P94,315,964	P76,055,524

Premiums receivable represent premiums due and uncollected from member-cooperatives on all policies which are classified as in force. These are non-interest bearing and normally collected within a year.

Due from reinsurers represent reinsurers' share in benefits and claims incurred on insurance contracts. These are non-interest bearing and normally collected within a year.

ACL from MAS members represent premiums receivable from the Cooperative's qualified regular employees.

The changes in the allowance for probable losses for insurance receivables are as follows:

	Note	2021	2020
Balance at beginning of year		P25,092,609	P11,134,528
Provision for probable losses	26	2,166,355	13,958,081
Balance at end of year		P27,258,964	P25,092,609

9. Reinsurance Assets

Reinsurance assets amounting to P14.3 million as at December 31, 2020, respectively, pertain to estimated recoverable amounts from reinsurers for their share in insurance contract liabilities (see Note 15).

10. Financial Assets

This account consists of:

	2021	2020
Current		
Financial assets at FVPL	P73,612,014	P71,438,294
Financial assets at cost	396,993,005	430,051,629
	470,605,019	501,489,923

(Forward)

	2021	2020
Noncurrent		
Financial assets at amortized cost	P1,381,842,439	P1,329,483,980
Financial assets at cost	195,765,741	195,241,697
	1,577,608,180	1,524,725,677
	P2,048,213,199	P2,026,215,600

Financial Assets at FVPL

Financial assets at FVPL represent investments in publicly-traded securities that are held for trading and are quoted in an active market.

The movements in the financial assets at FVPL are as follows:

	Note	2021	2020
Balance at beginning of year		P71,438,294	P89,400,451
Additions		5,000,000	-
Disposals		(5,170,000)	(5,695,858)
Gain (loss) on changes in fair values	27	2,343,720	(12,266,299)
Balance at end of year		P73,612,014	P71,438,294

Realized loss on disposal of financial assets at FVPL amounted to P170,000 in 2021 (see Note 27). Realized gain on disposal of financial assets at FVPL amounted to P2.1 million in 2020 (see Note 6).

Dividend income from financial assets at FVPL amounted to P2.0 million and P1.6 million in 2021 and 2020, respectively (see Note 6).

Financial Assets at Cost

Financial assets at cost presented as current assets represent investment in mutual funds and externally managed funds. Financial assets at cost presented as noncurrent assets represent investments in shares of stock of related parties, cooperative banks and other cooperatives which are not quoted in an active market and are expected to be realized in more than one year.

The movements in the financial assets at cost are as follows:

	Note	2021	2020
Current			
Balance at beginning of year		P430,051,629	P477,465,020
Additions		12,381,838	19,458,383
Withdrawals		-	(66,871,774)
		442,433,467	430,051,629
Less allowance for impairment of financial assets at cost	27	45,440,462	-
Balance at end of year		396,993,005	430,051,629
Noncurrent			
Balance at beginning of year		195,241,697	183,860,036
Additions		524,044	11,381,661
Balance at end of year		195,765,741	195,241,697
		P592,758,746	P625,293,326

Dividend income from financial assets at cost amounted to ₱0.4 million and ₱0.7 million in 2021 and 2020, respectively (see Note 6).

Provision for impairment of financial assets at cost amounted to ₱45.4 million in 2021 (see Note 27).

Gain on disposal from financial assets at cost amounted to ₱0.3 million in 2020 (see Note 27).

Financial Assets at Amortized Cost

Financial assets at amortized cost represent investments in retail treasury bonds, corporate bonds, fixed-rate treasury notes and long-term negotiable certificate of deposits which are measured at amortized cost using the straight-line interest amortization method.

The movements in the financial assets at amortized cost are as follows:

	2021	2020
Balance at beginning of year	₱1,329,483,980	₱1,200,950,402
Additions	234,189,850	253,799,572
Redemptions at maturity	(180,547,327)	(124,500,000)
Amortization of premium - net	(1,284,064)	(765,994)
Balance at end of year	₱1,381,842,439	₱1,329,483,980

Interest income from financial assets at amortized cost amounted to ₱53.5 million and ₱57.6 million in 2021 and 2020, respectively (see Note 6).

11. Accounts and Other Receivables

This account consists of:

	Note	2021	2020
Accounts receivable:			
Member-cooperatives		₱72,212,069	₱52,963,382
Related parties	28	9,759,529	936,380
Loans receivable		13,110,538	11,815,149
Accrued interest receivable		427,111	502,111
Advances to officers and employees		97,674	67,155
		₱95,606,921	₱66,284,177

Accounts receivable from member-cooperatives are unsecured, non-interest bearing and shall be settled within a year.

Accounts receivable from related parties represent receivables from CLIMBS Share Capital Equity Investment Fund Corporation (CSCEIFC), CLIMBS Real Estate Development Corporation (CREDC), Cosmopolitan CLIMBS Life Plan, Inc. (CCLPI), CLIMBS Printing Press and Publishing Corporation (CPPPC) and CLIMBS Insurance Brokerage Corporation (Formerly CLIFSA General Insurance Agency Inc.) (CIBC) which are unsecured, non-interest bearing and shall be settled within a year.

Loans receivable represent receivables from mortgage and equity loans provided by the Cooperative to its officers and employees, and other cooperatives. Interest rates for the loans range from 7% to 10% per annum in 2021 and 2020. Interest income on these loans amounted to ₱202,728 and ₱162,741 in 2021 and 2020, respectively (see Note 6).

Accrued interest receivable pertains to interest income earned from financial assets at amortized cost which are already earned but not yet received as at year-end.

Advances to officers and employees pertain to cash advances for official business of officers and employees that are subject to liquidation.

12. Property and Equipment

The movements in this account are as follows:

December 31, 2021

	Land	Land Improvements	Building and Improvements	Transportation Equipment	Furniture, Fixtures and Office Equipment	Construction in Progress	Total
Cost							
Balance at beginning of year	₱14,822,674	₱6,803,629	₱98,734,620	₱55,073,999	₱48,805,811	₱7,658,299	₱231,899,032
Additions	–	165,380	5,782,328	3,366,000	2,352,718	3,898,423	15,564,849
Disposals	–	–	–	–	(74,405)	–	(74,405)
Balance at end of year	14,822,674	6,969,009	104,516,948	58,439,999	51,084,124	11,556,722	247,389,476
Accumulated Depreciation							
Balance at beginning of year	–	6,788,786	32,822,463	29,561,765	42,038,621	–	111,211,635
Additions	–	24,250	4,991,732	6,824,086	3,312,872	–	15,152,940
Disposals	–	–	–	–	(74,405)	–	(74,405)
Balance at end of year	–	6,813,036	37,814,195	36,385,851	45,277,088	–	126,290,170
Net Book Value	₱14,822,674	₱155,973	₱66,702,753	₱22,054,148	₱5,807,036	₱11,556,722	₱121,099,306

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December 31, 2020

	Land	Land Improvements	Building and Improvements	Transportation Equipment	Furniture, Fixtures and Office Equipment	Construction in Progress	Total
Cost							
Balance at beginning of year	₱14,812,148	₱6,803,629	₱92,012,573	₱38,358,879	₱46,049,806	₱6,691,423	₱204,728,458
Additions	10,526	–	6,722,047	16,726,820	2,989,675	966,876	27,415,944
Disposals	–	–	–	(11,700)	(233,670)	–	(245,370)
Balance at end of year	14,822,674	6,803,629	98,734,620	55,073,999	48,805,811	7,658,299	231,899,032
Accumulated Depreciation							
Balance at beginning of year	–	6,722,529	28,699,276	23,539,004	36,708,979	–	95,669,788
Additions	–	66,257	4,123,187	6,024,711	5,494,429	–	15,708,584
Disposals	–	–	–	(1,950)	(164,787)	–	(166,737)
Balance at end of year	–	6,788,786	32,822,463	29,561,765	42,038,621	–	111,211,635
Net Book Value	₱14,822,674	₱14,843	₱65,912,157	₱25,512,234	₱6,767,190	₱7,658,299	₱120,687,397

Depreciation and amortization charged to statements of operations are as follows:

	Note	2021	2020
Depreciation:			
Property and equipment		₱15,152,940	₱15,708,584
Investment property	13	2,100,677	2,318,527
Amortization of computerization cost	14	5,264,567	5,576,761
		₱22,518,184	₱23,603,872

The cost of fully depreciated property and equipment still in use amounted to ₱70.1 million and ₱41.0 million as at December 31, 2021 and 2020, respectively.

13. Investment Property

The movements in this account are as follows:

<u>December 31, 2021</u>				
	Land not Used in Operations	Building Held for Rentals	Construction in Progress	Total
Cost				
Balance at beginning and end of year	₱120,020,151	₱44,392,832	₱703,978	₱165,116,961
Accumulated Depreciation				
Balance at beginning of year	–	14,337,753	–	14,337,753
Additions	–	2,100,677	–	2,100,677
Balance at end of year	–	16,438,430	–	16,438,430
Net Book Value	₱120,020,151	₱27,954,402	₱703,978	₱148,678,531
<u>December 31, 2020</u>				
	Land not Used in Operations	Building Held for Rentals	Construction in Progress	Total
Cost				
Balance at beginning of year	₱120,020,151	₱44,333,848	₱703,978	₱165,057,977
Additions	–	58,984	–	58,984
Balance at end of year	120,020,151	44,392,832	703,978	165,116,961
Accumulated Depreciation				
Balance at beginning of year	–	12,019,226	–	12,019,226
Additions	–	2,318,527	–	2,318,527
Balance at end of year	–	14,337,753	–	14,337,753
Net Book Value	₱120,020,151	₱30,055,079	₱703,978	₱150,779,208

Fair value of investment property, excluding construction in progress, amounted to ₱186.7 million as at December 31, 2021 and 2020 as determined by an independent appraiser.

14. Other Noncurrent Assets

This account consists of:

	2021	2020
Advances for property acquisition	P90,000,000	P40,000,000
Computerization cost	9,996,647	12,029,678
Refundable deposits	1,959,910	2,236,686
	P101,956,557	P54,266,364

Advances for property acquisition are payments made for purchases of property. Reclassification to proper asset accounts is done upon receipt of required documents supporting the transfer of ownership to the Cooperative.

The details of computerization cost are as follows:

	2021	2020
Cost		
Balance at beginning of year	P22,765,430	P18,010,709
Additions	3,231,536	4,754,721
Balance at end of year	25,996,966	22,765,430
Accumulated Amortization		
Balance at beginning of year	10,735,752	5,158,991
Additions	5,264,567	5,576,761
Balance at end of year	16,000,319	10,735,752
Net Book Value	P9,996,647	P12,029,678

15. Insurance Contract Liabilities

This account consists of:

	2021	2020
Legal policy reserves:		
Life insurance contracts	P790,835,466	P811,192,695
MAS plan	4,351,186	4,062,058
Insurance payables:		
Policy and contract claims	236,560,240	290,858,897
Incurred but not reported	154,541,497	81,550,854
Outstanding claims reserve	36,160,353	32,609,910
Unearned premium reserves	82,074,907	130,187,287
	P1,304,523,649	P1,350,461,701

Legal policy reserves and other actuarial items in the financial statements as at and for the years ended December 31, 2021 and 2020 have been computed using management's estimates and actuarial computations as used and certified by the consulting actuary of the Cooperative. The actuarial computations and management's estimates are in accordance with commonly accepted actuarial standards consistently applied and that the legal policy reserves and other actuarial items are fairly stated in accordance with sound actuarial principles.

17. Accounts and Other Payables

This account consists of:

	Note	2021	2020
Premium deposits from members		₱142,691,585	₱78,787,271
Accounts payable:			
Third parties		59,443,203	53,785,178
Related parties	28	7,404,847	10,282,255
CETF payable		10,285,805	11,670,485
Statutory payables		6,250,149	4,245,229
		₱226,075,589	₱158,770,418

Premium deposits from members represent premiums received from member-cooperatives which are not yet specifically identified. These will be recognized as revenue upon determination of the specific premium collected.

Accounts payable pertain to commission payable to Coop Life General Insurance & Financial Services Agency (CLIFSA), CIBC, and to other agents, and payable to CLIMBS Investment Management and Advisory Corporation (CIMAC). These are unsecured, non-interest bearing and shall be settled within a year.

CETF payable represents the amount for remittance to the cooperative educational and training fund of the federation or union chosen by the Cooperative.

Statutory payables mainly include contributions to SSS, Pag-IBIG and withholding taxes, which are generally remitted within the next reporting year.

18. Retirement Plan

The Cooperative has a funded and noncontributory defined benefit plan, administered by an independent trustee, covering all qualified employees. The benefits are based on the years of service and percentage of latest monthly salary as determined by an independent actuary as at December 31, 2021 and 2020. Total retirement costs charged to operations amounted to ₱5.2 million and ₱4.5 million in 2021 and 2020, respectively (see Note 25).

The plan is exposed to interest rate risks and changes in the life expectancy of qualified employees. The plan is not exposed to significant concentration of risks on the plan assets.

Retirement costs recognized in the statements of operations are as follows:

	2021	2020
Current service cost	₱4,453,603	₱3,739,200
Net interest costs	733,402	720,426
	₱5,187,005	₱4,459,626

The retirement payable recognized in the statements of financial condition is as follows:

	2021	2020
Present value of defined benefit obligation	₱30,881,394	₱36,083,089
Fair value of plan assets	(16,982,761)	(16,665,672)
	₱13,898,633	₱19,417,417

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

	2021	2020
Balance at beginning of year	₱36,083,089	₱30,752,016
Current service cost	4,453,603	3,739,200
Interest cost	1,362,870	1,537,622
Remeasurement loss (gain)	(10,434,500)	5,704,917
Retirement benefits paid from operating funds	(583,668)	(5,650,666)
Balance at end of year	₱30,881,394	₱36,083,089

The reconciliation of the fair value of the plan assets is as follows:

	2021	2020
Balance at beginning of year	₱16,665,672	₱16,343,699
Actual return on plan assets	629,468	817,196
Remeasurement loss	(312,379)	(495,223)
Balance at end of year	₱16,982,761	₱16,665,672

Remeasurement gain on retirement payable amounted to ₱10.1 million in 2021 (see Note 27). Remeasurement loss on retirement payable amounted to ₱6.2 million in 2020 (see Note 27).

The components of the Cooperative's plan assets are as follows:

	2021	2020
Investments in government securities	54%	63%
Investments in unit investment trust fund	44%	26%
Investment in other securities and debt securities	1%	6%
Cash in banks	1%	5%
	100%	100%

The principal assumptions used in determining retirement payable are as follows:

	2021	2020
Discount rate	5.17%	3.78%
Salary increase rate	5.00%	5.00%
Average remaining working lives of employees	18 years	18 years

The sensitivity analysis of defined benefit obligation for principal assumptions are as follows:

Principal assumptions	Effect on defined benefit obligation	
	2021	2020
Discount rate:		
Increase by 1%	(P4,474,020)	(P7,110,184)
Decrease by 1%	5,655,485	7,088,707
Salary rate:		
Increase by 1%	5,248,612	6,515,360
Decrease by 1%	(4,254,889)	(6,602,313)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

19. Other Noncurrent Liabilities

Other noncurrent liabilities amounting to P3.0 million and P1.8 million as at December 31, 2021 and 2020, respectively, pertain to security deposits for the leased properties which will be refunded upon termination of the lease contracts.

20. Equity

Conversion of Dividend and Patronage Refund to Common Share

Various member-cooperatives converted their dividend and patronage refund to common share capital amounting to P119.2 million and P112.6 million in 2021 and 2020, respectively (see Note 21).

21. Statutory Funds

This account consists of funds required to be maintained by the Cooperative pursuant to the provisions of R.A. No. 9520, as follows:

	2021	2020
Statutory funds:		
Reserve fund	P154,861,384	P134,289,774
CETF	17,211,932	15,088,705
Community development fund	8,029,254	9,341,507
Optional fund	111,529,825	97,129,698
	P291,632,395	P255,849,684

The above funds are not available for distribution to members but are used only for the specific purposes for which they are set up, as may be approved by the BOD and the GA.

The distribution of net surplus is as follows:

	2021	2020
Reserve fund	10%	10%
CETF	10%	10%
Community development fund	3%	3%
Optional fund	7%	7%
Interest on share capital and patronage refund	70%	70%
	100%	100%

Interest on Share Capital and Patronage Refund Payable

The distribution of interest on share capital and patronage refund is as follows:

	2021	2020
Allocation from net surplus	₱144,001,269	₱119,146,430
Distributed as:		
Interest on share capital	100,800,888	83,402,501
Patronage refund	43,200,381	35,743,929
Interest on share capital rate	7.09%	5.30%
Patronage refund rate	3.22%	3.26%

The movements in this account are as follows:

	Note	2021	2020
Balance at beginning of year		₱119,146,430	₱112,939,768
Conversion to share capital	20	(119,146,430)	(112,591,444)
Payments		-	(348,324)
Allocation from net surplus		144,001,269	119,146,430
Balance at end of year		₱144,001,269	₱119,146,430

22. Net Insurance Premiums

The details of net premiums earned on insurance contracts are as follows:

	2021	2020
Gross premiums on insurance contracts:		
Loan payment protection insurance	₱941,796,705	₱848,830,902
Group life	559,854,076	521,362,822
Regular plans	2,280,150	2,328,880
Personal accident and other nonlife products	445,303,070	355,561,488
	1,949,234,001	1,728,084,092
Reinsurers' share of gross premiums earned on insurance contracts	(34,819,640)	(33,955,556)
	₱1,914,414,361	₱1,694,128,536

23. Benefits and Claims Incurred on Insurance Contracts

The details of benefits and claims incurred on insurance contracts are as follows:

	Note	2021	2020
Gross benefits and claims incurred on insurance contracts		₱1,094,917,318	₱765,977,700
Reinsurers' share	16	(36,567,250)	(20,193,838)
		₱1,058,350,068	₱745,783,862

24. Collection Costs

This account pertains to costs incurred for the collection of premium, commissions and incentives paid to insurance agents, which amounted to ₱583.4 million and ₱550.0 million in 2021 and 2020, respectively.

Commissions paid to agents of CLIFSA and CIBC for marketing and sale of its various life and nonlife insurance products amounted to ₱132.7 million and ₱23.5 million in 2021 and 2020, respectively (see Note 28).

25. Salaries and Benefits

This account consists of:

	Note	2021	2020
Salaries and wages		₱66,285,129	₱57,543,399
Employee benefits		46,219,691	34,103,244
Retirement costs	18	5,187,005	4,459,626
		₱117,691,825	₱96,106,269

26. General and Administrative Expenses

This account consists of:

	Note	2021	2020
General support services		₱20,070,310	₱14,979,760
Professional fees		8,465,994	8,234,024
Communications		5,655,104	5,127,537
Repairs and maintenance		4,604,141	2,940,386
Travel and transportation		4,013,487	3,399,740
Meetings, conferences and general assembly		3,575,238	7,698,950
Power, light and water		2,780,192	2,732,783
Provision for probable losses of insurance receivables	8	2,166,355	13,958,081
Office supplies		1,905,373	1,300,115
License fees and membership		1,229,909	1,658,926
Insurance		744,614	714,769
Taxes and licenses		458,438	438,393
Miscellaneous		579,021	2,484,650
		₱56,248,176	₱65,668,114

27. Other Expenses - Net

This account consists of:

	Note	2021	2020
Provision for impairment of financial assets at cost	10	₱45,440,462	₱-
Remeasurement loss (gain) on retirement payable	18	(10,122,121)	₱6,200,140
Loss (gain) on changes in fair values of financial assets at FVPL	10	(2,343,720)	12,266,299
Loss on disposal of financial assets at FVPL	10	170,000	-
Gain on disposal of property and equipment	12	(37,200)	(12,369)
Gain on disposal of financial assets at cost	10	-	(313,881)
Miscellaneous income		(7,918,471)	(9,788,207)
		₱25,188,950	₱8,351,982

28. Related Party Transactions

The Cooperative, in its regular course of business, has transactions with its related parties, which principally consist of the following:

	2021	2020
Investments in shares of stock of related parties:		
CIMAC	₱66,500,000	₱66,500,000
CIBC	50,000,000	50,000,000
CCLPI	15,000,000	15,000,000
CLIFSA	15,000,000	15,000,000
CPPPC	9,019,200	8,503,000
CREDC	218,334	218,334
	₱155,737,534	₱155,221,334

Nature of Transactions	Note	2021		2020	
		Amount of Transactions	Outstanding Balance	Amount of Transactions	Outstanding Balance
Accounts receivable:	11				
CREDC					
Balance at beginning of year			₱-		₱-
Cash advances		4,777,797		-	
Balance at end of year			₱4,777,797		₱-

(Forward)

Nature of Transactions	Note	2021		2020	
		Amount of Transactions	Outstanding Balance	Amount of Transactions	Outstanding Balance
CCLPI					
Balance at beginning of year		P-		P-	
Cash advances		2,262,614		-	
Balance at end of year			P2,262,614		P-
CSCEIFC					
Balance at beginning of year		936,380		2,276,976	
Cash advances		81,887		-	
Conversion to capital stock		-		(1,340,596)	
Balance at end of year			1,018,267		936,380
CPPPC					
Balance at beginning of year		-		-	
Cash advances		1,059,720		-	
Collections		(77,198)		-	
Balance at end of year			982,522		-
CIBC					
Balance at beginning of year		-		6,186,568	
Cash advances		718,329		-	
Collections		-		(6,186,568)	
Balance at end of year			718,329		-
			P9,759,529		P936,380
Accounts payable:					
CLIFSA	17				
Balance at beginning of year		P-		P7,504,000	
Commissions	24	127,349,223		-	
Payments		(120,347,602)		(7,504,000)	
Balance at end of year			P7,001,621		P-
CIMAC					
Balance at beginning of year		-		-	
Investment advisory fee		394,476		-	
Balance at end of year			394,476		-
CIBC					
Balance at beginning of year		10,282,255		1,553,070	
Commissions	24	5,335,126		23,545,563	
Payments		(15,608,631)		(14,816,378)	
Balance at end of year			8,750		10,282,255
			P7,404,847		P10,282,255

Compensation of Key Management Personnel of the Cooperative

Compensation of the Cooperative's key management personnel consists of salaries and wages and other short-term benefits amounting to P11.4 million and P15.4 million in 2021 and 2020, respectively.

9. Segment Reporting

The Cooperative considers its life and nonlife operations as its operating segments. The financial information for each segment as at and for the years ended December 31, 2021 and 2020 are as follows:

Statements of Financial Condition

	Life		Nonlife	
	2021	2020	2021	2020
ASSETS				
Current Assets				
Cash	₱388,661,699	₱388,072,476	₱290,807,864	₱134,223,905
Short-term placements	152,678,456	294,940,451	234,991,536	218,466,609
Insurance receivables	18,551,027	25,358,570	75,764,937	50,696,954
Reinsurance assets	–	14,255,828	–	–
Financial assets at FVPL	73,612,014	67,620,368	–	3,817,926
Financial assets at cost	314,883,005	430,051,629	82,110,000	–
Accounts and other receivables	82,132,241	65,229,858	13,474,680	1,054,319
Prepayments	418,587	1,059,803	–	8,910
Total Current Assets	1,030,937,029	1,286,588,983	697,149,017	408,268,623
Noncurrent Assets				
Financial assets at amortized cost	887,158,111	845,180,617	494,684,328	484,303,363
Financial assets at cost - net of current portion	195,765,741	121,131,697	–	74,110,000
Property and equipment	84,814,407	82,618,324	36,284,899	38,069,073
Investment property	148,678,531	150,779,208	–	–
Other noncurrent assets	101,532,710	50,955,062	423,847	3,311,302
Total Noncurrent Assets	1,417,949,500	1,250,664,908	531,393,074	599,793,738
	₱2,448,886,529	₱2,537,253,891	₱1,228,542,091	₱1,008,062,361
LIABILITIES AND EQUITY				
Current Liabilities				
Insurance contract liabilities	₱1,150,709,274	₱1,111,529,055	₱153,814,375	₱238,932,646
Due to reinsurers	5,491,291	–	8,863,675	15,360,402
Interest on share capital payable	–	62,012,043	100,800,888	21,390,458
Patronage refund payable	–	26,576,590	43,200,381	9,167,339
Accounts and other payables	101,248,844	77,133,090	124,826,745	81,637,328
Total Current Liabilities	1,257,449,409	1,277,250,778	431,506,064	366,488,173
Noncurrent Liabilities				
Retirement payable	13,230,948	18,749,732	667,685	667,685
Other noncurrent liabilities	2,656,017	1,750,219	346,980	49,633
Total Noncurrent Liabilities	15,886,965	20,499,951	1,014,665	717,318
Equity				
Members' equity	955,809,679	988,187,094	724,129,443	636,323,254
Statutory funds	219,740,476	251,316,068	71,891,919	4,533,616
Total Equity	1,175,550,155	1,239,503,162	796,021,362	640,856,870
	₱2,448,886,529	₱2,537,253,891	₱1,228,542,091	₱1,008,062,361

Statements of Operations

	Life		Nonlife	
	2021	2020	2021	2020
REVENUE				
Gross premiums earned on insurance contracts	₱1,503,930,931	₱1,375,948,816	₱445,303,070	₱352,135,276
Reinsurers' share of gross premiums earned on insurance contracts	(23,040,210)	(17,120,412)	(11,779,430)	(16,835,144)
Net insurance premiums	1,480,890,721	1,358,828,404	433,523,640	335,300,132
Income/interest from investments/deposits	43,574,927	54,429,992	22,558,078	26,383,450
Commissions and other underwriting income	10,025,777	856,021	10,341,227	2,219,560
	1,534,491,425	1,414,114,417	466,422,945	363,903,142
BENEFITS, CLAIMS AND EXPENSES				
Benefits and claims incurred on insurance contracts	968,294,691	636,286,285	90,055,377	109,497,577
Collection costs	453,470,650	447,414,737	129,910,899	102,610,893
Salaries and benefits	74,763,325	53,385,813	42,928,500	42,720,456
General and administrative expenses	44,923,964	51,328,284	11,324,212	14,339,830
Increase (decrease) in insurance contract liabilities	(20,068,101)	68,548,211	(48,112,380)	49,720,430
Depreciation and amortization	19,869,343	21,298,240	2,648,841	2,305,632
	1,541,253,872	1,278,261,570	228,755,449	321,194,818
OTHER INCOME	18,928,743	9,168,786	1,492,769	945,671
OTHER EXPENSES	(45,610,462)	(18,466,439)	-	-
NET SURPLUS (LOSS)	(₱33,444,166)	₱126,555,194	₱239,160,265	₱43,653,995

30. Financial Risk Management Policies and Objectives

The Cooperative is exposed to a variety of risks arising from its operating, investing and financing activities. The BOD has overall responsibility for the Cooperative's financial risk management, which includes establishment and approval of risk strategies, policies and limits. The main objective of the financial risk management is to minimize the adverse impact of financial risks on the Cooperative's financial performance and financial condition due to the unpredictability of financial markets.

The Cooperative's financial instruments consist of cash, short-term placements, insurance receivables, reinsurance assets, financial assets at FVPL, financial assets at amortized cost, financial assets at cost, accounts and other receivables, refundable deposits (presented under "Other noncurrent assets"), insurance contract liabilities, due to reinsurers, interest on share capital and patronage refund payable, accounts and other payables (excluding statutory payables) and, other noncurrent liabilities. The main purpose of these financial instruments is to generate surplus and raise funds for the Cooperative's operations.

The main risks arising from the Cooperative's use of financial instruments are summarized are as follows:

Insurance Risk

The risk under an insurance contract is the risk that an insured event will occur including the uncertainty of the amount and timing of any resulting claim. The principal risk the Cooperative faces under such contracts is when the actual claims and benefit payments exceed the carrying amount of insurance liabilities. This is organized by the frequency of claims, severity of claims, actual benefits paid that are greater than original estimates and subsequent development of long-term claims.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts.

The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Cooperative has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Cooperative's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Cooperative substantially dependent upon any single reinsurance contract.

The Cooperative principally writes life insurance where the life of a policyholder is insured against death, illness, injury or permanent disability which are usually for a predetermined amount.

The Cooperative adopts an underwriting risk policy. The risks associated with the life and accident products are underwriting risk and investment risk.

Underwriting Risk

Underwriting risk represents the exposure to loss resulting from actual policy experience adversely deviating from assumptions made in the product pricing. Underwriting risks arise from the combination of the following:

- Mortality risk - risk of loss arising from policyholders' death experience being different than expected.
- Morbidity risk - risk of loss due to policyholder health experience being different than expected.
- Expense risk - risk of loss arising from expense experience being different than expected.
- Investment risk - risk of loss arising from actual returns being different than expected.
- Policyholder decision risk - risk of loss arising from policyholders' experiences (lapses and surrenders) being different than expected.

The Cooperative's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geographical locations, the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular view of actual claims experience and product pricing and detailed claims handling procedures. Underwriting limits are in place to enforce appropriate risk selection criteria.

The Cooperative is conscious of the need to exercise good judgment in the selection and approval of cooperatives participating in its reinsurance programs. While reinsurance arrangements do not relieve the Cooperative from its direct obligations to the insured, an efficient and effective reinsurance program substantially limits the Cooperative's exposure to potentially significant losses.

The table below sets out the Cooperative's concentration of insurance risk based on types of policy:

Type	2021			2020		
	No. of Policies	Insurance Coverage (in millions)	Gross Premiums	No. of Policies	Insurance Coverage (in millions)	Gross Premium
Loan payment protection insurance	1,278,696	₱81,438	₱941,796,705	1,165,405	₱57,960	₱848,838,600
Group life	2,947,598	92,437	559,854,076	1,236,969	83,984	521,745,076
Standard nonlife products	51,567	40,163	254,095,738	46,394	13,084	211,570,640
Personal accident and other nonlife products	10,151	6,887	193,487,482	8,761	42,903	145,929,760
	4,288,012	₱220,925	₱1,949,234,001	2,457,529	₱197,931	₱1,728,084,056

The table below presents the concentration of risk by attained age based on data of in-force policies as at December 31, 2021. Exposures are concentrated on age brackets 18-35, 36-45, 46-55, 56-65, 66-75 and, 76 and above.

Attained Age	Gross of Reinsurance	
	Coverage (in millions)	Exposure
18-35	₱56,895	25.75%
36-45	53,218	24.09%
46-55	64,909	29.38%
56-65	39,196	17.74%
66-75	5,633	2.55%
76 and above	1,074	0.49%
Total	₱220,925	100.00%

Material judgment is required in determining the liabilities and in choosing assumptions relating to insurance contracts. Assumptions in use are based on past experience, current internal data and conditions and external market indices and benchmarks, which reflect current observable market prices and other published information. Such assumptions are determined as appropriate at inception of the contract and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations. Assumptions are subject to the provisions and guidelines set by the IC.

For insurance contracts, the Cooperative determines the assumptions in relation to future deaths, illness or injury and investment returns at inception of the contract.

Subsequently, new estimates are developed at each reporting date and liabilities are tested to determine whether such liabilities are adequate in the light of the latest current estimates. The initial assumptions are not altered if the liabilities are considered adequate. Otherwise, the assumptions are altered to reflect the latest current estimates. As a result, the effect of changes in the underlying variables on insurance liabilities and related assets is not symmetrical.

The key assumptions to which the estimation and adequacy testing of liabilities are particularly sensitive are the following:

Mortality Rates. Assumptions are based on standard industry and national mortality tables, according to the type of contract written and which may be adjusted where appropriate to reflect the Cooperative's own experiences. Assumptions are differentiated by sex, underwriting class and contract type.

For life insurance policies, increased mortality rates would lead to a larger number of claims occurring sooner than anticipated, increasing the expenditure and thereby reducing profits from operations.

Discount Rates. Life insurance liabilities are determined as the sum of the present value of the expected benefits less the presented value of the expected premiums that would be required to meet these future cash outflows. The weighted average rate of return is derived based on model portfolio that is assumed to back liabilities, consistent with the long-term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial development. A decrease in the discount rate will increase the value of the liability.

Lapse and Surrender Rates. Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Cooperative's experience and vary by product type, policy duration and sales trends.

An increase in lapse rates early in the life of the policy would tend to reduce net surplus to members, but later increases are broadly neutral in effect.

Expenses. Administrative expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

A decrease in the discount rate will increase the value of the insurance liability and therefore reduce net surplus to members.

Investment Risk

Investment risk represents the exposure to loss resulting from cash flows from invested assets, primarily long-term fixed rate investments, being less than the cash flows required to meet the obligations of the expected policy and contract liabilities and the necessary return on investments. Additionally, future investment risk associated with certain policies currently in force exists which will have premium receipts in the future. That is, the investment of those future premium receipts may be at a yield below that required to meet future policy liabilities.

To maintain an adequate yield to match the interest necessary to support future policy liabilities, management focus is required to reinvest the proceeds of the maturing securities and to invest the future investment receipts while continuing to maintain satisfactory investment quality.

The Cooperative likewise adopts investment strategy to invest primarily in high quality securities while maintaining diversification to avoid exposure to issuer or industry concentrations. The Cooperative also adopts strategy to produce cash flows required to meet maturing insurance liabilities. The Cooperative invests in equities for various reasons, including diversifying its overall exposure to interest rate risk. Equity securities are subject to declines in fair value. Generally, insurance regulations restrict the type of assets in which an insurance cooperative may invest when permitted by regulatory authorities and when deemed necessary to protect insurance assets including invested assets, from adverse movement of foreign currency exchange rates, interest rates and equity prices. The Cooperative may also enter into derivative transactions as end users.

Financial Risk

The Cooperative is exposed to financial risk through its financial assets and liabilities. In particular, the key financial risk that the Cooperative is exposed to is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts.

The most important components of this financial risk are credit risk, liquidity risk and market risk. These risks arise from open positions in interest rate and equity products. These are all exposed to general and specific market movements.

▪ **Credit Risk**

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Cooperative manages the level of credit risk it accepts through a comprehensive credit risk policy setting out the assessment and determination of what constitutes credit risk for the Cooperative; setting up exposure limits by each counterparty or group of counterparties and industry segment; right of offset where both counterparties are debtors and creditors; guidelines in obtaining collateral and guarantees; reporting of credit risk exposures; monitoring compliance with credit risk policy; and review of credit risk policy for pertinence and changing environment.

Although the Cooperative has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus, a credit exposure exists with respect to reinsurance ceded, to the extent that the Cooperative may be unable to meet its obligations assumed under such reinsurance agreements. The Cooperative selects only member-cooperatives with strong financial standing and excellent track records which are allowed to participate in the Cooperative's reinsurance programs.

In respect of investment securities, the Cooperative limits its exposure by setting maximum limits of portfolio securities with a single or group of issuers. The Cooperative also makes use of institutions of high credit worthiness.

The Cooperative sets maximum amounts and limits that may be advanced to or placed with individual corporate counterparties which are set by reference to their long-term ratings.

The table below shows the maximum gross exposure to credit risk for the components of the statements of financial condition:

	2021	2020
Cash in banks and other cooperatives	₱677,218,508	₱521,121,468
Short-term placements	387,669,992	513,407,060
Insurance receivables	121,574,928	101,148,133
Reinsurance assets	-	14,255,828
Financial assets at FVPL	73,612,014	71,438,294
Financial assets at cost	638,199,208	625,293,326
Financial assets at amortized cost	1,381,842,439	1,329,483,980
Accounts and other receivables	95,606,921	66,284,177
Refundable deposits*	1,959,910	2,236,686
	₱3,377,683,920	₱3,244,668,952

*Presented under "Other noncurrent assets"

Credit Quality per Class of Financial Assets. The Cooperative's bases in grading its financial assets are as follows:

High grade - These are receivables which have a high probability of collection (the counterparty has the apparent ability to satisfy its obligation and the security on the receivables are readily enforceable).

Standard Grade - These are receivables where collections are probable due to the reputation and the financial ability of the counterparty to pay but have been outstanding for a certain period of time.

Substandard Grade - These are receivables that can be collected provided the Cooperative makes persistent effort to collect the amounts due.

The table below shows the credit quality by class of financial assets of the Cooperative based on their historical experience with the corresponding parties:

	2021					Total
	Neither Past Due nor Impaired			Past Due but not Impaired	Impaired	
	High Grade	Standard Grade	Substandard Grade			
Cash in banks and other cooperatives	₱677,218,508	₱-	₱-	₱-	₱-	₱677,218,508
Short-term placements	387,669,992	-	-	-	-	387,669,992
Insurance receivables	94,315,964	-	-	-	27,258,964	121,574,928
Financial assets at FVPL	73,612,014	-	-	-	-	73,612,014
Financial assets at cost	592,758,746	-	-	-	45,440,462	638,199,208
Financial assets at amortized cost	1,381,842,439	-	-	-	-	1,381,842,439
Accounts and other receivables	-	95,606,921	-	-	-	95,606,921
Refundable deposits*	1,959,910	-	-	-	-	1,959,910
	₱3,209,377,573	₱95,606,921	₱-	₱-	₱72,699,426	₱3,377,683,920

*Presented under "Other noncurrent assets"

	2020					Total
	Neither Past Due nor Impaired			Past Due but not Impaired	Impaired	
	High Grade	Standard Grade	Substandard Grade			
Cash in banks and other cooperatives	₱521,121,468	₱-	₱-	₱-	₱-	₱521,121,468
Short-term placements	513,407,060	-	-	-	-	513,407,060
Insurance receivables	76,055,524	-	-	-	25,092,609	101,148,133
Reinsurance assets	14,255,828	-	-	-	-	14,255,828
Financial assets at FVPL	71,438,294	-	-	-	-	71,438,294
Financial assets at amortized cost	1,329,483,980	-	-	-	-	1,329,483,980
Financial assets at cost	625,293,326	-	-	-	-	625,293,326
Accounts and other receivables	-	66,284,177	-	-	-	66,284,177
Refundable deposits*	2,236,686	-	-	-	-	2,236,686
	₱3,153,292,166	₱66,284,177	₱-	₱-	₱25,092,609	₱3,244,668,952

*Presented under "Other noncurrent assets"

■ Liquidity Risk

Liquidity risk is the risk from inability to meet obligations when they become due because of the inability to obtain adequate funding. The Cooperative ensures that sufficient liquid assets are available to meet short-term funding and regulatory requirements.

The Cooperative is mainly exposed to liquidity risk through its maturing liabilities.

The details of the Cooperative's maturity analysis are as follows:

	2021				
	Total	On Demand	Due Within 1 Year	Due More Than 1 Year Up To 5 Years	Due More Than 5 Years
Insurance contract liabilities	₱1,304,523,649	₱-	₱1,295,667,542	₱5,538,154	₱3,317,953
Due to reinsurers	14,354,966	-	14,354,966	-	-
Interest on share capital payable	100,800,888	100,800,888	-	-	-
Patronage refund payable	43,200,381	43,200,381	-	-	-
Accounts and other payables*	219,825,440	143,265,338	76,560,102	-	-
Other noncurrent liabilities	3,002,997	-	-	3,002,997	-
	₱1,685,708,321	₱287,266,607	₱1,386,582,610	₱8,541,151	₱3,317,953

*Excluding statutory payables

	2020				
	Total	On Demand	Due Within 1 Year	Due Within 1 to 5 Years	Due Above 5 Years
Insurance contract liabilities	₱1,350,461,701	₱-	₱1,341,293,731	₱5,733,177	₱3,434,793
Due to reinsurers	15,360,402	-	15,360,402	-	-
Interest on share capital payable	83,402,501	83,402,501	-	-	-
Patronage refund payable	35,743,929	35,743,929	-	-	-
Accounts and other payables*	154,525,189	77,227,458	77,297,731	-	-
Other noncurrent liabilities	1,799,852	-	-	1,799,852	-
	₱1,641,293,574	₱196,373,888	₱1,433,951,864	₱7,533,029	₱3,434,793

*Excluding statutory payables

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Cooperative's exposure to market risk relates to changes in interest rates and equity prices.

The following policies and procedures are in place to mitigate the Cooperative's exposure to market risks:

- A market risk policy setting out the assessment and determination of what constitutes market risk for the Cooperative. Compliance with the policy is monitored and exposures and breaches are reported to the BOD. The policy is reviewed regularly for pertinence and for changes in the risk environment.
- Set asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and those assets are held to deliver income and gains for policyholders which are in line with expectations to the policyholders.
- Stipulated diversification benchmarks by type of instrument, as the Cooperative is exposed to guaranteed bonuses, cash and annuity options when interest rates fall.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

The Cooperative's market risk policy requires it to manage interest rate risk by maintaining significant level of fixed rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets and liabilities. No sensitivity analysis is needed as future interest rate changes are not expected to affect the Cooperative's net surplus. The Cooperative continuously manages the interest rate risk and ensures that the impact of changes in interest rates on the Cooperative's investment strategies is minimal.

Equity Price Risk

Equity price risk is the risk that fair value of future cash flows will fluctuate because of changes in market prices of individual stocks and the changes in the level of Philippine Stock Exchange index (PSEi).

The Cooperative's equity price risk exposure relates to equity shares classified as financial assets at FVPL. The effect on equity is caused by reasonably possible changes in the relevant market indices which lead to changes in the market value of investment securities. The effect on surplus is caused by reasonably possible changes in the relevant market indices which lead to changes in the market value of investment securities classified as financial assets at FVPL.

Due to the insignificant level of the Cooperative's investments in financial assets at FVPL, the Cooperative assessed that the possible impact of changes in equity prices in net surplus is minimal.

31. Financial Assets and Liabilities

The following table presents a comparison of the carrying amounts and fair values of all the Cooperative's financial assets and liabilities as at December 31, 2021 and 2020:

	2021		2020	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
Financial Assets				
Cash in banks and other cooperatives	₱677,218,508	₱677,218,508	₱521,121,468	₱521,121,468
Short-term placements	387,669,992	387,669,992	513,407,060	513,407,060
Insurance receivables	94,315,964	94,315,964	76,055,524	76,055,524
Reinsurance assets	—	—	14,255,828	14,255,828
Financial assets at FVPL	73,612,014	73,612,014	71,438,294	71,438,294
Financial assets at cost	592,758,746	592,758,746	625,293,326	625,293,326
Financial assets at amortized cost	1,381,842,439	1,381,842,439	1,329,483,980	1,329,483,980
Accounts and other receivables	95,606,921	95,606,921	66,284,177	66,284,177
Refundable deposits*	1,959,910	1,959,910	2,236,686	2,236,686
	₱3,304,984,494	₱3,304,984,494	₱3,219,576,343	₱3,219,576,343
Financial Liabilities				
Insurance contract liabilities	₱1,304,523,649	₱1,304,523,649	₱1,350,461,701	₱1,350,461,701
Due to reinsurers	14,354,966	14,354,966	15,360,402	15,360,402
Interest on share capital payable	100,800,888	100,800,888	83,402,501	83,402,501
Patronage refund payable	43,200,381	43,200,381	35,743,929	35,743,929
Accounts and other payables**	219,825,440	219,825,440	154,525,189	154,525,189
Other noncurrent liabilities	3,002,997	3,002,997	1,799,852	1,799,852
	₱1,685,708,321	₱1,685,708,321	₱1,641,293,574	₱1,641,293,574

*Presented under "Other noncurrent assets"

**Excluding statutory payables

Cash in Banks and Other Cooperatives, Short-term Placements, Insurance Receivables, Reinsurance Assets, Financial Assets at Amortized Cost, Financial Assets at Cost, Accounts and Other Receivables, Refundable Deposits (presented under "Other Noncurrent Assets"), Insurance Contract Liabilities, Due to Reinsurers, Interest on Share Capital and Patronage Refund Payable, Accounts and Other Payables (excluding Statutory Payables) and Other Noncurrent Liabilities. The fair values of these financial assets and financial liabilities approximate their carrying amounts due to the nature of these financial instruments.

Financial Assets at FVPL. The fair values of these investments are determined by reference to quoted market bid prices (Level 1 in the fair value hierarchy) as at December 31, 2021 and 2020.

In 2021 and 2020, there were no transfers within any hierarchy level of fair value measurement.

32. Capital Management and Regulatory Framework

Capital Management Framework

All insurance cooperatives are required to maintain a certain level of capital to ensure sufficient solvency margins and to adequately protect the policyholders. The level of capital maintained is usually higher than the minimum capital requirements set by the regulators and the amount computed under the Risk-Based Capital (RBC) Model.

Insurance cooperatives manage capital through a process that determines future projected capital requirements through the development of long-term financial plans and projections that consider the impact on the surplus of new business, profitability of in-force business and other major initiatives that will affect capitalization levels. The results of the financial plans and projections provide basis in the determination of capitalization changes and surplus distribution decisions.

The Cooperative's capital are as follows:

	2021	2020
Members' equity	₱1,679,939,122	₱1,624,510,348
Statutory funds:		
Reserve fund	154,861,384	134,289,774
CETF	17,211,932	15,088,705
Community development fund	8,029,254	9,341,507
Optional fund	111,529,825	97,129,698
	₱1,971,571,517	₱1,880,360,032

No changes were made to the Cooperative's capital base, objectives, policies and processes from the previous year.

Regulatory Framework

Regulators are interested in protecting the rights of the policyholders and maintaining close vigil to ensure that the Cooperative is satisfactorily managing affairs for the policyholders' benefit. At the same time, the regulators are also interested in ensuring that the Cooperative maintains an appropriate solvency position to meet liabilities arising from claims and that the risk levels are at acceptable levels.

The operations of the Cooperative are subject to the regulatory requirements of the IC. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions (e.g., margin of solvency to minimize the risk of default and insolvency on the part of the insurance cooperatives to meet the unforeseen liabilities as these arise, fixed capitalization requirements, RBC requirements).

Minimum Statutory Net Worth Requirements

On August 15, 2013, the President of the Philippines approved the R.A. No. 10607 known as the "The Insurance Code" (the Code) which provides the new capitalization requirements of all existing insurance companies based on net worth on a staggered basis starting June 30, 2013 up to December 31, 2022. The amount of required net worth and the schedule of compliance are as follows:

Minimum Statutory Net Worth	Compliance Date
₱250 million	June 30, 2013
550 million	December 31, 2016
900 million	December 31, 2019
1.3 billion	December 31, 2022

In accordance with Article 107 of the Philippine Cooperative Code of 2008, the requirements on the capitalization, investments and reserves of insurance cooperatives may be modified upon consultation with the CDA and the cooperative sector, but in no case may the requirements be reduced to less than half of those provided under the Code. The net worth requirements of the Cooperative amounted to ₱450 million as at December 31, 2021 and 2020.

On September 5, 2018, the IC issued Circular Letter (CL) 2018-45 that sets the guidelines on the minimum capitalization and net worth requirements for composite insurance companies under the amended Code. However, on October 25, 2019, the IC issued CL No. 2019-55 which revoked the CL 2018-45.

Pursuant to Section 202 of the Code, the Cooperative's estimated amount of non-admitted assets as at December 31, 2021 and the actual non-admitted assets as at December 31, 2020 are as follows:

	2021 (Estimated)	2020 (Actual)
Cash	₱5,814,561	₱80,118,628
Short-term placements	19,836,154	4,379,448
Insurance receivables	97,880,750	64,250,373
Accounts and other receivables	193,324,614	99,482,366
Financial assets at FVPL	67,620,368	4,682,980
Financial assets at cost	178,558,694	228,416,760
Financial assets at amortized cost	8,000,000	62,281,532
Property and equipment	172,029,796	78,275,023
Investment property	68,414,176	69,094,146
Other assets	18,767,653	111,331,179
	₱830,246,766	₱802,312,435

Pursuant to the Code and related circulars, cash and short-term investments to cooperative banks in excess of ₱500,000, insurance receivables beyond 90 days, accounts receivable and loans receivable beyond 90 days and, advances to officers and employees, investments in cooperatives, office furniture and fixtures, office equipment, motor vehicles and other assets are generally non-admitted assets.

As at December 31, 2021, the Cooperative's estimated net worth as at December 31, 2021 and actual net worth as at December 31, 2020 are as follows:

	Life		Nonlife		Total	
	2021 (Estimated)	2020 (Actual)	2021 (Estimated)	2020 (Actual)	2021 (Estimated)	2020 (Actual)
Total assets	₱2,565,878,973	₱2,594,936,514	₱1,277,003,479	₱1,007,697,259	₱3,842,882,452	₱3,602,633,773
Total liabilities	1,395,279,682	1,348,509,446	540,824,965	377,194,455	1,936,104,647	1,725,703,901
Equity	1,170,599,291	1,246,427,068	736,178,514	630,502,804	1,906,777,805	1,876,929,872
Less: Non-admitted assets	648,617,950	678,559,567	181,628,816	123,752,868	830,246,766	802,312,435
Net worth	521,981,341	567,867,501	554,549,698	506,749,936	1,076,531,039	1,074,617,437
Less: Net worth requirements as at December 31					450,000,000	450,000,000
Excess over net worth requirements					₱626,531,039	₱624,617,437

As at December 31, 2021 and 2020, the Cooperative has complied with the minimum paid-up capital and statutory net worth requirements required by IC.

RBC Requirements

The Amended Insurance Code provides that the Commissioner may require the adoption of the RBC approach and other internationally accepted forms of capital framework. Together with the insurance industry, the IC is currently in the process of adopting a new RBC approach that would be more tailored to the Philippine insurance industry. In 2016, the IC issued CL 2016-68 regarding the Amended RBC framework to be known as "RBC2 Framework" which was effective starting January 1, 2017.

CL 2016-68 provides for the RBC2 framework for the life insurance industry which establishes the required amounts of capital to be maintained by the insurance cooperatives in relation to their investment and insurance risks. Every life insurance cooperative is annually required to maintain an RBC ratio of at least 100% and not to fail the trend test. Failure to meet the minimum RBC ratio shall subject the insurance cooperative to regulatory intervention which could be at various levels depending on the degree of the violation.

The RBC2 ratio shall be calculated as total available capital (TAC) divided by the RBC requirement. TAC is the aggregate of Tier 1 and Tier 2 capital minus deductions, subject to applicable limits and determinations. Tier 1 Capital represents capital that is fully available to cover losses of the insurer at all times on a going-concern and winding up basis. Tier 2 Capital which includes reserve for appraisal increment and remeasurement gains or losses on retirement pension asset or obligation shall not exceed 50% of Tier 1 Capital. RBC2 requirement shall be computed based on the formula provided in the circular and shall include asset default risk, insurance pricing risk, interest rate risk and general business risk.

Every insurance cooperative is annually required to maintain a minimum RBC2 ratio of 100% and not fail the trend test. The trend test has failed, in the event that all have occurred:

- The RBC2 ratio is less than 125% but is not below 100%;
- The RBC2 ratio has decreased over the past year; and,
- The difference between RBC ratio and the decrease in the RBC2 ratio over the past year is less than 100%

Failure to meet the RBC ratio shall subject the insurance cooperative to the corresponding regulatory intervention which has been defined at various levels.

The following table shows the RBC2 ratio of the life and nonlife unit based on internal calculations as at December 31, 2021 and the final RBC2 ratio as determined by the IC as at December 31, 2020:

	Life		Nonlife	
	2021 (Estimated)	2020 (Actual)	2021 (Estimated)	2020 (Actual)
Total available capital	₱1,199,317,814	₱1,140,195,139	₱881,543,643	₱626,457,772
RBC2 requirement	379,132,137	378,335,595	53,771,277	39,144,752
RBC2 ratio	316%	301%	1639%	1600%

The final amount of the RBC2 ratio can be determined only after the accounts of the Cooperative have been examined by the IC specifically for the determination of admitted and non-admitted assets as defined under the Code.

Financial Reporting Framework (FRF) and Valuation Standards

The IC issued CL No. 2016-65, FRF, under Section 189 of The Insurance Code (R.A. No. 10607). Whereas, the FRF will adopt the economic valuation of assets and liabilities based on internationally accepted accounting, actuarial and insurance core principles.

IC also released CL No. 2016-66, Valuation Standards for Life Insurance Policy Reserves, pursuant to Sections 216 and 423 of the Code. Where appropriate, the life insurance policy reserves shall be valued using the Gross Premium Valuation (GPV) considering other assumptions such as morbidity, lapse and/or persistency, expenses, non-guaranteed benefits and margin for adverse deviation. IC decided to treat the change in the basis of valuation as a change in accounting policy and shall be retrospectively applied in its regulatory financial reporting requirements. However, for purposes of compliance with PFRF for Cooperatives, the effects of the change in valuation model is recognized in the current period.

FRF and gross premium valuation are effective starting January 1, 2017. Moreover, the IC provides the submission of the regulatory requirements for the following covered period and corresponding submission date starting 2017:

Period Covered	Submission Date
As of March 31	May 31
As of June 30	August 31
As of September 30	November 30
As of December 31	April 30

The Cooperative has complied with the submission requirements of IC as at December 31, 2021 and 2020 for FRF and gross premium valuation.

33. Supplementary Information Required by the Bureau of Internal Revenue

Certificate of Tax Exemption

The BIR issued a CTE to the Cooperative, which entitles the Cooperative to the following tax exemptions and incentives provided for under Article 60 of R.A. 9520, as implemented by the Joint Rules and Regulations Implementing Articles 60, 61 and 144 of R.A. 9520:

- Exemption from income tax on income from CDA-registered operations;
- Exemption from value-added tax (VAT) on CDA-registered sales or transactions;
- Exemption from other percentage tax;
- Exemption from donor's tax on donations to duly accredited charitable, research and educational institutions, and reinvestment to socio-economic projects within the area of operation of the Cooperative;
- Exemption from excise tax for which it is directly liable;
- Exemption from documentary stamp tax; provided however, that the other party to the taxable document/transaction who is not exempt shall be the one directly liable for the tax;
- Exemption from payment of annual registration fee of ₱500; and,
- Exemption from all taxes on transactions with insurance companies and banks, including but not limited to 20% final tax on interest deposits and 7.5% final income tax on interest income derived from a depository bank under the expanded foreign currency deposit system.

The CTE is valid until March 28, 2027.

Revenue Regulations No. 15-2010

The information for 2021 as required by the above regulation is presented below.

Output VAT

The Cooperative is exempt from VAT pursuant to the provisions of R.A. No. 9520 otherwise known as the Philippine Cooperative Code of 2008.

All Other Local and National Taxes

All other local and national taxes paid in 2021 consist of:

Permits and licenses	₱340,627
Registration fees	56,862
Community tax	10,500
Real estate tax	3,403
Others	47,046
	₱458,438

The above local and national taxes are classified as "Taxes and licenses" under "General and administrative expenses" account in the statements of operations.

Withholding Taxes

Withholding taxes paid and accrued and/or withheld in 2021 consist of:

	Paid	Accrued	Total
Withholding tax on compensation	₱4,275,894	₱914,936	₱5,190,830
Expanded withholding tax	3,882,429	1,738,970	5,621,399
	₱8,158,323	₱2,653,906	₱10,812,229

Tax Assessments and Tax Cases

The Cooperative did not receive any tax assessments from the BIR in 2021 nor did it have outstanding tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR.



STATEMENT OF OPINION

I, Panfilo P de la Paz, consulting actuary of CLIMBS, express the opinion that, based on the data supplied to me by the Accounting and IT Departments of CLIMBS, the legal certificate/policy reserves and claim reserves of the Cooperative as of 31 December 2021 amounting to

- P **790,835,465.86** (individual/group life insurance contracts)
- P **4,351,185.91** (MAS plan)
- P **316,229,522.60** (claims reserve liability net of reinsurance receivables)

are adequate and accurate. The calculations of the legal certificate/policy reserves are based on reasonable actuarial assumptions and are in accordance with generally accepted actuarial principles. The due and unpaid policy and contract claims were derived solely from the inventory of such claims conducted by CLIMBS as of December 31, 2021. The Incurred But Not Reported (IBNR) reserves was derived using the chain-ladder method on claims recorded for the last 24 months. Loss development factors were derived by taking the simple average of the smallest 12 duration factors.

PANFILO P DE LA PAZ, FASP, FSA
 Consulting Actuary
 PTR No 3941

08 March 2022

**ANNEX “A”****A. Assets**

1. Net life insurance premiums and annuity considerations due and uncollected	12,827,138.01
2. Accident and health premiums due and uncollected	Nil

B. Liabilities

1. Aggregate reserve for life policies and contracts	790,835,465.86
2. Aggregate reserve for accident and health policies	Nil
3. Supplementary contracts without life contingencies	Nil
4. Policy and contract claims	
4.1 Due and unpaid	134,902,894.01
4.2 In course of settlement:	
4.2.1 Resisted	57,946,904.40
4.2.2 Others	Nil
4.3 Incurred but not unreported (less reinsurance)	123,379,724.19
4.4 Total (Gross)	316,229,522.60
4.5 Add: Reinsurance assumed on reported claims	Nil
4.6 Less: Reinsurance ceded on reported claims	Nil
4.7 Net Liability	316,229,522.60
5. Provision for policyholders’ dividends and experience refund payable in following calendar year – estimated amount	Nil
6. Amount provisionally held for deferred dividend policies not included in Item 5	Nil
7. Policy and contract liabilities not included elsewhere:	
7.1 Surrender values on cancelled policies	Nil
8. “Cost of collection” on premiums and annuity considerations uncollected in excess of total loading thereon	Nil
9. Aggregate equity value reserves for MAS Plan	4,351,185.91
C. Net deferred premium	Nil

D. All other accounts, if any, as may have to be certified to by the Actuary. Nil

* all figures are in Philippine Pesos

CLIMBS
2021 Actuarial Valuation Result

PH14 VGP Center (formerly ManilaBank Bldg.) Ayala Ave. Makati City
Tel: 7752-0963 E-mail: panfilodelapaz@yahoo.com



STATEMENT OF OPINION

L, MAE ELIZABETH S LUNGAY, Consulting Actuary of CLIMBS Non-life and General Insurance Cooperative, express the opinion that, based on the data supplied to me by

Mr. Rey San Andres, Vice President & Chief Finance Officer and as relayed by the Accounting Department of CLIMBS,

the aggregate amount of outstanding stale checks of the cooperative as of December 31, 2021, amounts to P 9,719,568.38.

MAE ELIZABETH S. LUNGAY, FASP, ASA
Consulting Actuary
Asian Actuaries, Inc.
IC Accreditation No. AC-11-2021-O
Issued on 27th day of May 2021 at Manila City

Date Signed: 28th of March 2022

SUBSCRIBED AND SWORN TO BEFORE ME THIS 25 DAY
OF APR 25 2022 2022 CAGAYAN DE ORO CITY.

DOC. NO. 201
PAGE NO. 41
BOOK NO. 8
SERIES OF 202 2

ATTY. CYRIL FRANCIS S. CASINO
NOTARY PUBLIC
ATTORNEY ROLL NO. 70706
IBP NO. 158315 JAN. 4, 2021
PTR NO. 4851498, JAN. 4, 2021
COMMISSION VALID UNTIL JUNE 30, 2022
MCLE VI COMPLETED
(AUG. 13-16 2019, CDOC)



**Report on Actuarial Valuation of Non-Life Insurance Policy Reserves
CLIMBS Life and General Insurance Cooperative (CLIMBS)
For the period ended 31 December 2021**

Section A. Scope of Review

CLIMBS Life and General Insurance Cooperative (CLIMBS) has engaged the services of an external consultant, Asian Actuaries, Inc. (AAI), to determine the cooperative's non-life insurance policy reserves as of the valuation date, December 31, 2021.

This report summarizes the methods used in the analysis and the results obtained.

The valuation was conducted in compliance with the Insurance Commission's Circular Letter No. 2018-18 dated March 9, 2018, with subject:

Valuation Standards for Non-Life Insurance Policy Reserves.

The valuation process relies on the accuracy, validity, and comprehensiveness of the data supplied by CLIMBS. This reliance extends to any oral, written, or online communications exchanged between CLIMBS and AAI.

CLIMBS Non-Life Products

At present, CLIMBS offers the following products to its member-cooperatives:

- Fire and Allied Perils (Fire)*
- Motor*
- General Personal Accident (PA)*
- Micro Personal Accident (Micro PA)*
- Marina Personal Accident (Marina PA)*
- MSPR (Money, Security, Payroll, and Security)*
- Fidelity Guarantee (FG)*
- Comprehensive General Liability (CGL)*
- Weather Protect*

For valuation purposes, the products: General PA, Micro PA, and Marina PA are lumped into PA; while MSPR, FG, CGL, and Weather Protect are grouped into Others.



Section B. Data Requirements

To aid in the valuation process, CLIMBS provided AAI with the following minimum information for each of the components to be estimated.

- a. Premium Liabilities
 - Schedule of Monthly Written Gross Premium, Commissions, Reinsurance costs per line of business; and
 - General Administrative Expenses as of the valuation date.
- b. Claims Liabilities
 - Paid claims (with LAE) triangle for the past two accident years per line of business, gross and net of reinsurance; and
 - Unallocated Loss Adjustment Expenses; and
 - List of outstanding claims per line of business, gross and net of reinsurance, as of the valuation date.
- c. Disclosure Requirements
 - Claims Management Process
 - Questionnaire
 - Analysis of Experience
 - Data Validation Template

The documents above were provided by the following employees of CLIMBS who were supervised by Mr. Rey San Andres, *Vice-President Chief Finance Officer*.
 Mr. Junevic Item, *Non-Life Operations Manager*;
 Ms. Jane Pauline Labininay, *Non-Life Claims Analyst*;
 Ms. Corrine Cutor, *Non-Life Bookkeeper*;
 Ms. Bernadeth Bernadas, *AVP for Non-Life*
 Ms. Rowena Casinillo, *Compliance Department*.

Virtual meetings were also conducted between the parties to discuss the data population and checking. The data have been subjected to data validation process to ensure correctness and internal consistency, most specifically the claims and premium data. See Appendix 1 for the summary of the data validation process.

The claims avilment process was also documented in Appendix 2 from the inputs of the claims and accounting department.



Section C. Valuation Methodologies and Assumptions

A. Premium Liabilities

CL 2018-18 defines *Premium Liabilities* as all future claim payments and related expenses for policy maintenance and claims settlement, to be made after the valuation date, arising from future events for which the company is liable under its insurance contracts, and is computed on both gross and net of reinsurance basis.

The *Premium Liabilities* is equal to the Unearned Premium Reserve (UPR) plus the difference between the Unexpired Risk Reserve (URR) and the UPR net of Deferred Acquisition Cost (DAC), if the URR is greater than the UPR net of DAC. Otherwise, it is equal to UPR.

The table below shows the amount of Premium Liabilities based on our analysis. Each of the components is discussed in more details in its respective section below.

	Gross RI	Net RI
Fire		
Unearned Premium Reserves (UPR), Net	10,454,145.12	8,845,693.44
Unexpired Risk Reserves (URR) with MFAD	15,296,156.30	14,120,016.14
Motor		
Unearned Premium Reserves (UPR), Net	40,398,971.26	39,649,829.65
Unexpired Risk Reserves (URR) with MFAD	30,514,874.00	30,018,639.52
PA		
Unearned Premium Reserves (UPR), Net	15,775,755.83	15,752,669.39
Unexpired Risk Reserves (URR) with MFAD	19,220,133.73	18,915,973.38
Others		
Unearned Premium Reserves (UPR), Net	15,446,034.71	15,208,843.93
Unexpired Risk Reserves (URR) with MFAD	3,418,375.02	3,400,648.19
Total Premium Liabilities	82,074,906.92	79,457,036.41

B. Claims Liabilities

IC Circular Letter No. 2018-18 provides that Claims Liabilities shall be calculated as the sum of Claims Due and Unpaid (DU), Claims In Course of Settlement (CICS), Resisted Claims, Incurred But Not Reported Claims (IBNR), Claims Handling Expenses (CHE), and Margin for Adverse Deviation (MFAD) for incurred claims.

DU, CICS, and Resisted Claims shall be based on actual claims reported but have not yet been settled as of December 31, 2021. The circular also enumerates some of the standard projection techniques in estimating IBNR (such as Development Method, Tabular Method, Exposure Method, and Loss Ratio Method) and MFAD (such as Bootstrapping Method, Mack Method, or combination of such methodologies) to bring the actuarial best estimate at the 75th percentile level of sufficiency.

The table below shows the amount of Claims Liabilities based on our analysis. Each of the components is discussed under a separate section in the following pages.

	Gross RI	Net RI
Outstanding Claims	14,414,910.26	13,549,270.17
Incurred But Not Reported (IBNR) Claims	31,161,773.04	27,954,182.74
Unallocated Loss Adjustment Expenses (ULAE) or Claims Handling Expense (CHE)	1,327,321.38	1,327,321.38
Margin for Adverse Deviation	12,054,089.03	11,700,784.49
Total Claims Liabilities	58,958,093.71	54,531,558.78



Section E. Valuation Results and Discussion

Based on the results of the valuation process, the Non-Life Insurance Policy Reserves of CLIMBS, as of December 31, 2021, amount to:

	Gross RI	Net RI
Total Liabilities	141,033,000.63	133,988,595.20
Premium Liabilities	82,074,906.92	79,457,036.41
Claims Liabilities	58,958,093.71	54,531,558.78

Section F. Certification by the Actuary

I hereby certify that I have conducted tests necessary to verify the reasonableness and integrity of the data, confirm that the information contained in this Report are accurate to the best of my knowledge and that I have calculated the policy reserves in accordance with the Valuation Standards prescribed by the Insurance Commission and the standards of practice of the Actuarial Society of the Philippines.

MAE ELIZABETH S. LUNGAY, FASP, ASA
Consulting Actuary
 Asian Actuaries, Inc.
 IC Accreditation No. AC-11-2021-O
 Issued on 27th day of May 2021 at Manila City

Section G: Certification by the CEO or Responsible Officer

I hereby certify that the database is properly maintained, and I have satisfied myself that the data provided to the certifying Actuary are accurate and complete.

 NOEL D. RABOY, MBA, Ex PRES/CEO
Signature over Printed Name of the
Chief Executive Officer/Responsible Officer
 CLIMBS Non-Life and General Insurance Cooperative

Date Signed:

SUBSCRIBED AND SWORN TO BEFORE ME THIS ___ DAY
OF _____ 2021 **DAGAYAN DE ORO CITY.**
APR 25 2022

► CLIMBS PROPOSED BUDGET FOR 2022

CLIMBS LIFE AND GENERAL INSURANCE COOPERATIVE
PROPOSED BUDGET FOR 2022
(In million peso)

	PROPOSED BUDGET						ACTUAL		ACTUAL 2021 VS BUDGET 2022	
	2021	%	2020	%	2022	%	2021	%	INC(DEC)	%
Gross Premium	1,900.00	108.70%	2,250.00	110.57%	2,500.00	108.70%	2,054.74	107.33%	445.26	21.67%
Refund & Reinsurance	152.00	8.70%	215.00	10.57%	200.00	8.70%	140.33	7.33%	59.67	42.53%
Net Premium	1,748.00	100.00%	2,035.00	100.00%	2,300.00	100.00%	1,914.41	100.00%	385.59	20.14%
Underwriting Costs										
Claims paid and incurred	830.30	47.50%	915.75	45.00%	1,150.00	50.00%	1,058.35	55.28%	91.65	8.66%
Commission/management fees	524.40	30.00%	508.75	25.00%	575.00	25.00%	579.92	30.29%	4.92	-0.85%
Increase/decrease in Reserves	87.40	5.00%	157.67	7.75%	115.00	5.00%	68.18	-3.56%	183.18	-268.67%
Agency Expenses	7.00	0.40%	142.45	7.00%	23.00	1.00%	1.79	0.09%	21.21	1186.28%
Sales Awards & Incentives	1.74	0.10%	10.18	0.50%	2.30	0.10%	1.67	0.09%	0.63	37.72%
Underwriting income	297.16	17.00%	300.20	14.75%	434.70	18.90%	340.86	17.81%	93.84	27.53%
Operating Expenses	174.80	10.00%	203.50	10.00%	230.00	10.00%	196.46	10.26%	33.54	17.07%
Operating Income	122.36	7.00%	96.70	4.75%	204.70	8.90%	144.40	7.54%	60.30	41.76%
Investment & Other Income	87.40	5.00%	147.50	7.25%	71.30	3.10%	61.31	3.20%	9.99	16.29%
Net Surplus	209.76	12.00%	244.20	12.00%	276.00	12.00%	205.71	10.75%	70.29	34.17%

BUDGET 2022-CAPEX	AMOUNT	%	ANNUAL DEPRECIATION
IT Equipment	4.42	3.38	0.88
Vehicles	6.75	5.16	1.35
System Development & Licenses	11.12	8.50	2.22
Improvements	3.12	2.39	0.62
Furniture, Fixtures & Equipment	5.36	4.10	1.07
Building in Bulua/Davao	100	76.47	
Total CAPEX	130.77	100.00%	6.15%

Notes to Budget:

1. The Projected Gross Premium Is P2.5B (P2B for Life and P0.5B for NL)
2. The desired OPEX Ratio is 10% and the desired Net Margin Ratio is 12%, per 5-year plan.
3. The contingencies of 1% of the Net Premium is provided for unforeseen expenses, the President shall approved its utilization
4. The budget for P100M is provided for Building construction in Bulua or Davao, Turn over is 2023
5. The Net Premium is gross premium less refund, rebates and Re-insurance of 8.7% of Net Premium.
6. The new purchase or acquisition of Furniture and equipment is equal to 5% of the Total PPE, on schedule basis which includes replacements of traditional air condition units into inverter type and solar panels for light.
7. The Ratio of individual expenses shall be strictly monitored on a monthly Net Premium basis
8. The additional month pay is allocated in case the actual OPEX ratio is below 10% at the end of the year
9. The Upgrading/enhancement of CLIMBS system is budgeted at P10M
10. The hiring is open only for project base or contractual except for regular position and replacement
11. The Saturday office work is required for department with backlogs, free meals of P100.00 is budgeted for a minimum four hours work.
12. Agency expenses of P23M is provided for the salaries & benefits of CLIFSA new sales personnel & under the supervision of RSM or ASM.
13. Meetings are budgeted, 50% virtual and 50% Face to face for BOD, Committees, Sales and Top Management
14. The cost of Training and staff development will be charged to CETF and the 50% of GA Expenses

Note: 2020 and 2021 Budget is for Ratification for CDA Compliance.

► CLIMBS AUDIT COMMITTEE REPORT

The Audit Committee provides oversight of CLIMBS' financial reporting processes, internal controls, and compliance to laws and regulations. This role also includes oversight of the internal and independent auditors. In 2021, the Committee crafted the Audit Policy in order to establish the framework within which the Internal Audit can provide objective assurance to the Board of Directors over the internal control and risk management processes and systems. The Audit Policy contains the objectives, standards, assumptions, strategies and procedures in the conduct of audit as well as the guidelines for report preparation.

The Audit Committee convened thrice in 2021 to review the Internal Audit Reports and the Interim Audit Report of the independent auditor. The results of the review of these reports were presented to and discussed with the Board of Directors once in Joint Officers and Management meeting held last December 10, 2021 thru zoom.

For the year 2021, the Committee has issued six (6) Audit Observation Memoranda (AOM) with thirty-three (33) audit recommendations. As of March 31, 2022, four (4) of these AOMs were fully implemented while two (2) are in progress in 2021 and one (1) in 2019. The audit observations that are still in progress are as follows:

AOM NO./DATE	OBSERVATIONS	RECOMMENDATIONS	MANAGEMENT REPLIES
1. 2021-001/01.15.21	<p>Un-recovered Vehicle from Total Loss Paid to Ruby R. Fulo – Luzon Branch</p> <p>Failure to closely monitor claims with subrogation.</p>	We recommend pursuing the filing of case against The At Fault Party Ms. Lorraine Anne Pascual.	Management agrees with the audit recommendation and they are now in the process of scouting a lawyer specializing in subrogation in the area of Ms. Fulo in Dasmariñas, Cavite.
2. 2021-004/03.18.21	<p>Missing CLIMBS Properties under the custody of Ms. June Blanche Jalalon – Head Office</p> <p>Ms. Jalalon separated in the cooperative last November 15, 2018, where some of CLIMBS office equipment assigned to her was not surrendered and declared missing with a Net Book Value of Php 99,666.14 as of Dec. 31, 2018.</p>	It is recommended to file a legal case and seek full restitution of the amount not remitted.	A final demand letter has been sent to Ms. Jalalon to return the items as stated under AOM 2021-004 but if Ms. Jalalon will not participate a case of Estafa or Qualified Theft maybe filed against her.
3. 2019-11-001/11.14.19	<p>Unremitted Collections (Region 2) – Baguio Area Office</p> <p>There were unremitted premium collections from cooperatives within Region 2 representing Life premium payment net of commissions amounted to Php 232,901.28.</p>	It is recommended to file a legal case and seek full restitution of the amount not remitted.	Complaint against GAM in Region 2 for qualified theft. The case is for settlement. The GAM voluntarily offered to settle her obligation with CLIMBS, out-of-court.

			As Audit Committee Rejoinder, it is requested that a timeline of 90 days for the GAM to settle her promise to pay shall be made.
--	--	--	--

Upon review of the Financial Statements as at and for the year ended December 31, 2021, the following relevant financial ratios were noted, with comparative figures from the previous year:

Relevant Ratios	2021	2020
Current Ratio	1.02:1	1.03:1
Solvency Ratio	133.8:1	116.4:1
Net Profit Margin	10.74%	10.05%
Return on Equity	11.19%	9.05%

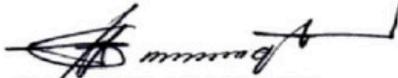
Current Ratio measures the Cooperative’s ability to pay off short-term liabilities with current assets. CLIMBS’ current ratio was lower for this year as compared to last year because current liabilities increased by 2.75% while current assets increased by 2% only.

Solvency Ratio aims to determine how much of the business assets belong to the Members rather than the Creditors. The lower the ratio, the higher the creditors’ claims on the assets, possibly indicating the Cooperative is extending its debt beyond its ability to repay. The ratio for 2021 as compared to 2020 was high which may indicate that CLIMBS is managing its assets too conservatively.

Net Profit Margin or **Return on Sales** measures CLIMBS’ operating efficiency. The Cooperative’s Net Profit Margin increase from previous year because of the increase in investment income which still indicates improvement in terms of efficiency, flexibility and ability to take on new opportunities.

Return on Equity (ROE) measures how well CLIMBS did in relation to the investments made by members. Increased in ROE for 2021 was due to increase in net income.

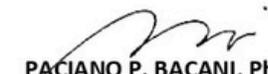
For the year 2022, the Audit Committee shall focus on assessing the effectiveness of internal controls and ensuring compliance to Cooperative policies and regulations.



MARIE DEE B. BELAGAN, CPA
Audit Committee Chair



EDUARD C. AMOGUIS, Ed.D
Audit Committee Secretary



PACIANO P. BACANI, Ph.D
Audit Committee Vice- Chair



REYNALDO M. VERGARA
Ex Officio Member

▶ CLIMBS ELECTION COMMITTEE REPORT

To The General Assembly of CLIMBS,

- I. We are reporting herewith the vacancies for the various offices and for filling up during the CLIMBS AGA 2022 Election, as follows:
 - 1. Board of Directors
 - Top 5 Shareholders = 3 seats
 - Luzon = 2 seats
 - Visayas = 2 seats
 - Mindanao = 2 seats
 - Independent = 2 seats
 - 2. Audit Committee = 3 seats
 - 3. Election Committee = 3 seats

- II. The Election Committee has also conducted two (2) meetings prior to this 2022 Annual General Assembly. One was jointly undertaken with the Board of Directors which included CDA Inspection Report, Findings and Recommendation for the amendments of the CLIMBS By Laws in order to conform with RA 9520 and other issuances of CDA.

We are therefore recommending the following Proposed Amendments to CLIMBS Article of Cooperation and By Laws and the Approval by the General Assembly of the same, as follows:

Articles of Cooperation:

- a. To conform the Articles of Cooperation to the RA 9520 provisions.

Article II. Objectives. Secondary Purposes

FROM	TO
<ul style="list-style-type: none"> 1. <i>To reinsure all or parts of the risks underwritten by CLIMBS and to undertake all kinds of reinsurance to the extent allowed by law.</i> 2. <u>To engage in the business of real estate; acquire, sell, dispose, lease and encumber its properties.</u> 3. <i>To establish a Training Institute on Financial Literacy and Management.</i> 	<ul style="list-style-type: none"> 1. <i>To reinsure all or parts of the risks underwritten by CLIMBS and to undertake all kinds of reinsurance to the extent allowed by law.</i> 2. <i>To establish a Training Institute on Financial Literacy and Management.</i>

Articles of By-Laws:

- b. To conform the By Laws to the RA 9520 provisions.

Article II. Membership. Section 5. Share capital subscription

FROM	TO
Regular membership. Every regular Xxx	Regular membership. Every regular Xxx No member of CLIMBS other than itself shall own or hold more than 10% of the subscribed and paid common share capital of CLIMBS.
Every member Xxx. However, he can only own or hold a maximum of 10% of the subscribed share capital of CLIMBS.	Every member Xxx. However, he can only own or hold a maximum of 10% of the subscribed preferred share capital of CLIMBS.

c. The Proposed Manner of Holding a Regular General Assembly Meeting

Article III. Section 18. Regular General Assembly Meeting

FROM	TO
The General Assembly shall hold its annual regular meeting within the ONE HUNDRED TWENTY (120) days after the close of each fiscal year. The fiscal year of CLIMBS shall commence on the first day of January and end on the last day of December and every year thereafter.	The General Assembly shall hold its annual regular meeting by face to face, virtual or blended, whichever is applicable , within the ONE HUNDRED TWENTY (120) days after the close of each fiscal year. The fiscal year of CLIMBS shall commence on the first day of January and end on the last day of December and every year thereafter.

d. The proposed Composition of the Board of Directors as presented in the 2018 AGA.

Article IV. Section 24. COMPOSITION OF THE BOARD OF DIRECTORS.

FROM	TO
<p>a) The Board of Directors shall be composed of eleven members consisting of two (2) Independent Directors (ID) and nine (9) Regular Directors (RD).</p> <p>a.1.) The nine regular directors shall consist of members-cooperatives which shall be represented by their voting delegates and they shall be elected either by secret ballot or by automation by the voting delegates during the Annual General Assembly election, subject however to the provisions of paragraph b) and subparagraphs b.1), b.2), b.3), b.4), b.5), b.6), b.7) and b.8) respectively, as hereunder provided. They shall hold office Xxx</p>	<p>a) The Board of Directors shall be composed of thirteen (13) members consisting of two (2) Independent Directors (ID) and eleven (11) Regular Directors (RD).</p> <p>a.1) The eleven regular directors shall be elected by member cooperatives through their voting delegates during the Annual General Assembly.</p> <p>They shall hold office Xxx</p>
<p>a.2.) Two Independent Directors (ID). Who are natural persons, shall likewise be elected at large by all the entire voting delegates by secret ballot. They shall hold office for a term of two (2) years Xxx</p>	<p>a.2) Two Directors shall be Independent Directors (ID). When positions for two Independent Directors are opened, immediately the Election Committee shall screen the nominees and the Board of Directors shall finally appoint the qualified nominees.</p> <p>a.3) The Independent Directors shall hold office for a term of two (2) years but not more than five (5) years.</p>
<p>b.) The aforsaid nine seats of the Regular Directors (RD) shall be apportioned and elected either by secret ballot or by automation as follows:</p>	<p>b.) The eleven (11) Regular Directors (RD) shall be elected as follows:</p>
<p>b.1.) Six seats shall be apportioned to the three Island Regions of Luzon, Visayas and Mindanao, respectively, based on the proportionate aggregate share capital paid by the members cooperatives in each of the three island Regions. Thus, voting delegates coming from Luzon shall elect the Regular Director/s for Luzon. Voting delegates from Visayas shall elect the Regular Director/s for Visayas. Likewise, voting delegates from Mindanao shall elect the Regular Director/s for Mindanao. Provided, however that the two-year term shall be observed.</p>	<p>b.1a) Two (2) Directors shall be elected by each island region of Luzon, Visayas and Mindanao respectively, regardless of the aggregate share capital/investment.</p> <p>b.1b) Three (3) Directors from the first three highest investors/share capital holders shall be voted nominally.</p> <p>b.1c) Two (2) Directors shall be elected at large by the entire assembly.</p> <p>b.1d) All elections of the officers shall be supervised by the Election Committee as provided for in the By Laws of CLIMBS, and it's Election Code.</p>

<p>b.6.) Provided that, there shall only be one Regular Director representing a member-cooperative in the Board of Directors at any given time.</p> <p>b.8.) The qualifications manner, procedure, rules and regulations of voting and Xxx</p>	<p>b.6) There shall only be one Regular Director representing a member-cooperative in the Board of Directors at any given time.</p> <p>b.8) The qualifications standard, procedure, rules and regulations of voting and Xxx</p>
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e. To conform the By Laws to the RA 9520 provisions.

Section 29. Meetings of the Directors

<p>The regular meeting of the board of directors shall be held quarterly. However, the chairman, or in his absence, the vice chairman or the majority of the directors may, at any time call a special board meeting to consider urgent matters.</p>	<p>The regular meeting of the board of directors shall be held quarterly by face to face or virtually whichever is applicable. However, the chairman or in his absence, the majority of the directors, may at any time, call a special board meeting to consider urgent matters.</p>
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f. To conform the By Laws to the RA 9520 provisions.

Section 31. Removal of Director and Committee Member

FROM	TO
<p>Any director may be removed from office for cause by a majority of the members entitled to vote, present and constituting a quorum in a regular general or special assembly of the members entitled to vote called for the purpose after having been given the opportunity to be heard.</p>	<p>An elective officer may be removed by three fourths (3/4) votes of the regular members present and constituting a quorum, in a regular or special general assembly meeting called for the purpose. The officer concerned shall be given an opportunity to be heard at said assembly.</p>

g. In compliance to GA Resolution No. 10, series of 2018 on the appointment of the Board Emeritus on the requirement to include a provision in the By Laws.

Section 51. President of CLIMBS

FROM	TO
<p>The President Xxx</p>	<p>The President Xxx</p> <p>Section 51-A. President Emeritus. The President Emeritus is a title given by the Board of Directors on the basis of honoris causa by virtue of his/her exemplary expertise and services. He/She may serve in an advisory role to the President and CEO and provides guidance and expertise as a knowledgeable member of the Board of Directors and provides historical perspective in the decision making. He/She may attend the Board of Directors meeting as maybe needed and as a non-voting member.</p>

h. To conform the By Laws to the RA 9520 provisions.

Article V. Section 39. REMUNERATION AND PERSONNEL COMMITTEE

FROM	TO
<p>39. The Remuneration and Personnel committee shall be composed of three (3) members one of whom is an independent director to be appointed by the BOD. They shall elect from among themselves, the Chairman, Vice – Chairman and Secretary who shall serve for two (2) years or until their successor shall have been elected and qualified. No member of the committee shall hold any other position in the Cooperative during his term of office.</p>	<p>39. a) Personnel Committee. The Personnel Committee shall be composed of three (3) members one of whom is an independent director to be appointed by the BOD. They shall elect from among themselves the Chairman, Vice Chairman and Secretary who shall serve for two (2) years or until their successor shall have been elected and qualified. No member of the committee shall hold any other position in the Cooperative during his term of office.</p>

	<p>39. b) Remuneration Committee. The Remuneration Committee shall be composed of three (3) members, one (1) of whom is an independent director appointed by the BOD. They shall elect from among themselves the Chairman, Vice Chairman and Secretary who shall serve for two (2) years or until their successor shall have been elected and qualified. No member of the committee shall hold any other position in the Cooperative during his term of office.</p>
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i. To conform the By Laws to the RA 9520 provisions.

Article X. Allocations and Distribution of Net Surplus. Section 58. Order of the Distribution of Net Surplus

FROM	TO
a) An amount for the reserve fund which shall be ten <i>per centum</i> (10%) of net surplus: Xxx	a) An amount for the reserve fund which shall be at least ten <i>per centum</i> (10%) of net surplus: Xxx
b) An amount for the education and training fund, which shall be ten <i>per centum</i> (10%) of the net surplus Xxx	b) An amount for the education and training fund, which shall not be more than ten <i>per centum</i> (10%) of the net surplus Xxx
c) An amount for the community development fund, which shall be three <i>per centum</i> (3%) of the net surplus. Xxx	c) An amount for the community development fund, which shall not be less than three <i>per centum</i> (3%) of the net surplus. Xxx
d) An optional fund, a land and building, and any other necessary fund the total of which shall be Seven <i>per centum</i> (7%). Xxx	d) An optional fund, a land and building, and any other necessary fund the total of which shall not exceed seven <i>per centum</i> (7%). Xxx

Respectfully submitted,

 Atty. Rolando C. Casaway
 Chairperson


 Atty. Jose Agerico R. De Guzman
 Vice Chairperson


 Alexander B. Raquepo
 Secretary

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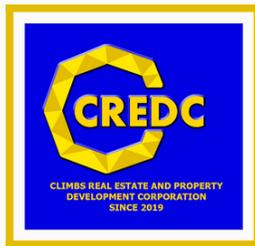
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(CREDC)



Cooperative College of the Philippines
(formerly CIM)



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(CCLPI)

Our Commitment:

**"To help Insure 20 Million Lives by 2024
and embody the Cooperative Values
and Principles"**