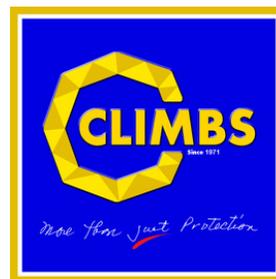


STRENGTHENING OUR IDENTITY FOR COOPERATIVE SUSTAINABILITY

2022 ANNUAL REPORT



51st Annual General Assembly
Atrium Limketkai Center, Cagayan de Oro City
April 26-27, 2023



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; and
- We care for the protection of the environment.

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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

ABOUT THE COVER

This year's annual cover is dedicated to Filipino farmers as CLIMBS pivot its purpose driven goal focused on sustainability aligned to the worlds call to action on climate change.



Who is CLIMBS Life and General Insurance Cooperative?

CLIMBS Life and General Insurance Cooperative, established in 1971 in Cagayan de Oro City, is a leading life and non-life micro-insurance provider in the Philippines licensed by the Cooperative Development Authority (CDA) and the Insurance Commission (IC). CLIMBS continuously lead and strengthen its advocacy in providing insurance protection especially for the grassroots of the Philippine population while ceaselessly upholding the cooperative values and principles.

Founded by the late Atty. Mordino Cua and Atty. Aquilino Pimentel Sr., CLIMBS started by bringing mutual protection to its members as an alternative to insurance products offered by the big traditional insurance companies largely in Visayas and Mindanao area.

Through the years, since its inception, CLIMBS continued to soar high. It has established its subsidiaries and affiliates, namely the CLIMBS Investment Management and Advisory Corporation (CIMAC), CLIMBS Share Capital Equity Investment Fund Corporation (CSCEIFC), CLIMBS Insurance Broker Corporation (CIBC), CLIMBS Printing Press and Publishing, Inc. (CPPPC), CLIMBS Real Estate Development Corporation (CREDC), Cosmopolitan CLIMBS Life Plan, Inc. (CCLPI), and the Cooperative College of the Philippines (CCP) formerly the CIM and Coop Life General Insurance and Financial Services Agency (CLIFSA) respectively.



A Message from the President of the Republic of the Philippines



My warmest greetings to the management, staff, members, and partners of the **CLIMBS Life and General Insurance Cooperative (CLIMBS)** as you hold your **51st Annual General Assembly**.

For many years, the CLIMBS stayed true to its goal of providing the best insurance services for our people, most especially at the grassroots level and the MSMEs. I am thus pleased that, despite the challenges of recent years, you consistently meet the needs of your members and clientele when it comes to financial risk protection and relief against distress.

As you celebrate this momentous occasion, I urge you to be unwavering not only in upholding the spirit of corporativism, but also in fostering partnership and linkages in common areas of interest among your fellow cooperatives. I Likewise ask your officers and members to find innovative ways to harness and invest your resources, skills, and assets in endeavors that give back to the communities that you serve.

Be assured that this administration is your partner in effecting long-term solutions that reinvigorate our economy, ensure a healthy investment climate, and assure the progress of our cooperatives.

I wish everyone a meaningful and productive assembly.

A handwritten signature in black ink, appearing to be 'F. Marcos, Jr.', written in a cursive style.

FERDINAND R. MARCOS, JR.
President

A Message from Insurance Commission (IC)



On behalf of the Insurance Commission, I would like to express my gratitude and commendations to CLIMBS Life and General Insurance Cooperative for being an ally in promoting financial inclusion, particularly in providing reliable insurance services to our countrymen, especially the marginalized sectors and grassroots of our society.

The cooperative sector plays a significant role in attaining social, economic, and environmental sustainability. Cooperatives deliver value to the society through significant contribution in poverty reduction by providing employment, livelihoods, and a wide variety of services to members. Cooperatives also contribute to gender equality by expanding women's opportunities to participate in local economies and communities. Moreover, cooperatives contribute to food security by supporting our farmers, fisher folk, livestock keepers and other food producers by giving them access to loans and credit services which would help them acquire the resources needed for their production.

Given all these that the cooperatives contribute to our society, I fervently hope that CLIMBS will remain steadfast in cultivating an insurance cooperative system that our cooperative institutions and their members can depend on. For our part, be assured that the Insurance Commission remains committed to instituting sound policies and regulations that will promote the development of insurance industry and its related services. Together, let us continue to join hands to make a better future possible for every Filipino.

Congratulations to CLIMBS!

A handwritten signature in black ink, appearing to be 'Dennis B. Funa'.

DENNIS B. FUNA
Insurance Commissioner

A Message from Cooperative Development Authority (CDA)



It is my honor to congratulate CLIMBS Life and General Insurance Cooperative on your 51st Annual General Assembly with the theme "Strengthening our identity for cooperative sustainability".

This year has been challenging for all of us. There were unprecedented difficulties, but it reminded us the importance of working together and supporting one another. Your cooperative has risen to the challenge, adapting to the changing circumstances and finding innovative solutions to continue providing essential services to your members.

As we move forward, it is crucial that we remain true to your cooperative identity and values.

The cooperative's principles of self-help, self-responsibility, democracy, equality, equity, and solidarity are the values that have guided you for over a half of century.

Remaining committed to continuous improvement and innovation. Embrace new technologies and strategies that will enable us to provide better products and services to our members while also reducing our environmental impact.

Let us work together to strengthen our identity, promote our values, and build a sustainable future for the cooperative and our community. Once again, congratulations to CLIMBS Life and General Insurance Cooperative.

Maraming salamat po at mabuhay po kayong lahat!

USEC. JOSEPH B. ENCABO
Chairman

A Message from International Cooperative and Mutual Insurance Federation (ICMIF)



Dear Friends,

On behalf of the Secretariat of the International Cooperative and Mutual Insurance Federation (ICMIF), I am delighted to send our very best wishes to our member organisation CLIMBS Life and General Insurance Cooperative and its members in the Philippines on the occasion of your 2023 Annual General Assembly.

We note with interest that your theme for this year will be “Strengthening our identity for cooperative sustainability” and we wish you a successful meeting as you celebrate your 51st Annual General Assembly on 26 and 27 April 2023.

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

Through our many interactions over the years, we have been delighted to learn more about the great work of CLIMBS and the insurance products that are developed specifically to meet the needs of your cooperative members, especially the marginalised poor with the aim of helping them live better lives. We congratulate everyone at CLIMBS for your strong commitment to your member policyholders and to the local communities that you support.

We were delighted to publish a news story on the ICMIF website recently about the visit by members of the senior management team of ICMIF member CLIMBS Life and General Insurance Cooperative, led by its CEO and President Noel D. Raboy, to the headquarters of KBC in Leuven (Belgium) in November 2022. This visit was for training from the KBC group to help CLIMBS with growing its digitalisation and improving data management. The visit was made possible by a collaboration between CLIMBS and, another ICMIF member, the Belgian Raiffeisen Foundation (BRS) which had, in turn, been facilitated by a member-to-member introduction by ICMIF.

Thanks to this training, we understand that the group from CLIMBS now fully understands what the company needs to do, especially in terms of data management, to have data and analytics at the heart of solution development, client interaction and business decisions. KBC had invested in data set-up and its well-designed digital architecture and infrastructure allow data to be transformed into information in a uniform, structured manner with unambiguous definition and which is compliant with regulatory and privacy requirements. This has inspired the CLIMBS’ team to do the same.

We are pleased that 2022 was another year in which we enjoyed great engagement between our two organisations. We were delighted that many delegates from CLIMBS attended ICMIF webinars during 2022 and we hope these were useful for you. Thank you for this participation. Thank you to Mr Noel Raboy, for his presentation in the webinar we held on the topic of Mutual parametric solutions.

We were also very grateful to Mr Raboy for taking part in the session on Inclusive resilience through protection and prevention during the ICMIF Centenary Conference in Rome last October and for his excellent

presentation on CLIMBS’ holistic solution for climate resilience: Moving from protection to prevention. It is so important for ICMIF members to learn from each other’s experiences and this was a great contribution towards that.

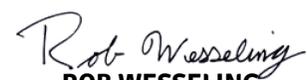
We enjoyed having members of your team take part in our Mutual Leadership: Adapting to a Complex World online course and its alumni group MC2. Also, we were delighted to welcome your colleagues to our Virtual Roundtables for Strategy Leaders and your Young Leaders to the Virtual networking and strategic discussions for ICMIF Young Leaders. We hope to have you join us for more ICMIF events in 2023.

Finally, two of our ICMIF colleagues, Mike Ashurst and Liam Carter, were pleased to spend time with the 48 official delegates who travelled to Manchester (UK) from 17 Philippine cooperative organisations for the Global Co-operative Executive Masterclass, organised by the Co-operative College of the Philippines. This was a historic event for the Philippine cooperative movement and a product of collaborations with the Co-operative College and CLIMBS Life and General Insurance Cooperative.

We have enjoyed learning more about CLIMBS through our interactions during the course of this last year and we hope that this will continue, long into the future.

We would like to extend our warmest wishes to all your members who join you at the 2023 CLIMBS Annual General Assembly. We wish you a very successful and enjoyable meeting.

Yours in cooperation,


ROB WESSELING
President and CEO
Co-operators Chair of ICMIF

A Message from CLIMBS' President and CEO



My respect to the member owners of CLIMBS Life and General Insurance Cooperative, to the Board of Directors, Committee Officers and colleagues.

The past five years has been moments of challenges, new achievements and plenty of learnings when we embarked together as we shift our journey to focus on sustainability through people, profit and planet anchored on our purpose and cooperative values and identity. We set out strategic priorities in each year – high performing team, digitalization and strengthened business management, international partnerships, response to the call to action on climate change and cohesive subsidiaries which are all essential to our goal of insuring 20 million lives by 2024.

CLIMBS winning team

In 2018, we pushed for the visibility of CLIMBS in the country through our sales team regionally from 54 to 57 which can be attributed to the increased number of coop membership from 947 to 1,324 by end of 2022. We also adopted a leaner organizational structure from the top to bottom for accountability and growth which was coupled by continuous learnings and education mindful that we can bridge the gap of the dawn of the new generation of leaders as CLIMBS approached its 50th year.

Better customer experience

We then devoted action to our mission of “providing innovative and technology driven insurance” through CLIMBS InsureTech, an online digital app for our coop members life and non-life insurance needs at your fingertips. As of date, our non-life products are 90% offered and delivered through InsureTech. We will continue to innovate and improve this technology as we gain more insights for better customer experience.

But perhaps, the most significant turn-around is, of us, together, shifted from being business centered back to a purpose driven cooperative bound on

the seven cooperative principles fostered by our founders in Rochdale, UK. We saw the need to strengthen our cooperative identity, making sure that these values transcend despite the pressures of bottomline and digitalization. This year, 2019, we gave birth to our battlecry of “Insuring 20 million lives by 2024”.

Purpose driven in the midst of pandemic

While we were onslaught by COVID-19 and the imminent downhill effect on our operations of which no organization was spared, on the flip side, the pandemic made it possible for CLIMBS to build partnerships and collaboration to local and international institutions such as ICMIF, ICA, Singapore College of Insurance and AIM. This ultimately evolved on the installation of the Cooperative College of the Philippines.

Simultaneously, this year also established our answer to the cooperative value on concern for community when we launched our CLIMBS CARES as an attached department of CLIMBS where we initially started by distributing food and medicine supplies affected severely by the pandemic and later into community clean water supply within and nearby areas of Cagayan de Oro City. Our KoopSkwela or mobile learning hub for grade school students also started which is a partnership with other cooperatives including the Cooperative College of the Philippines (CCP), NaFeCOOP, OIC, NATCCO, MASSPECC, FICCO, and CLIFSA. Today, CLIMBS CARES owns two fire trucks and organized its own volunteer group of 24 members and is an active participant in community emergency services and pro-actively organized community-based activities related to health and environment which serviced 13,365 households or 33 barangays.

Coops for climate action

More than 10 years ago, CLIMBS already is an active advocate for climate action when we first introduced the parametric catastrophe insurance. This time around, we want to say that we finally did it. The parametric Weather Protect Insurance together with its international partners, IBISA, Global Parametrics, and Centro Internacional de Agricultura Tropical (CIAT) through International Cooperative and Mutual Insurance Federation (ICMIF) is the first parametric insurance offered in the country by a cooperative insurance. The ultimate goal of this endeavor is not only our contribution for climate action but more importantly is to gain attention and enough noise in the international market and organization and local government of our need for climate related protection. From our five pilot coops (Metro Ormoc Community Multi-Purpose Cooperative, Mindanao Consolidated Cooperative Bank, Oro Integrated Cooperative, Agricooop – Carmen Samahang Nayon Multi-Purpose Cooperative, and Paglaum Multi-Purpose Cooperative) on our first year of coverage, we have now 107 cooperatives

insured on the second year translating from 3,600 farmers to 37,800 farmers impacted. Our coop and farmer consultation on product development will continue as we improve the Weather Protect Insurance. Our challenge is to make the smart farming platform work for our farmer’s agri-partners.

Optimizing our growth

Through the years, we have diversified subsidiaries as we continue creating values for our member owners complementing our core insurance business. Our subsidiaries which contributed in our overall portfolio are part on our strategic plan and much strengthening has been identified to supplement its growth from governance to infrastructure support. Additionally, we have invested on properties in major cities in the country like Quezon City, Cebu City and Iloilo City that will bolster our accessibility in terms of operations but also improve our asset to 3.9 Billion by end of 2022. Lastly, 2022 has also focused on brand management, improving its online and social media and traditional media presence. Our effort on our 154 Coop Assurance Centers as our unique distribution channel and high growth market is also very much observed including the training of a total 1,600 CAC officers and staff. More than the business contribution of the CAC in your cooperative, we want our CACs to supplement the full circle of financial management of our ordinary coop members.

Reaching our 2024 Goal

As we turn the next chapter, we reposition our sights back to our strategic plan and roadmap.

Tangibly, CLIMBS owned offices will be a reality in Davao City. We will also see the development of CLIMBS Building Complex in Bulua, Cagayan de Oro City of which we have dreamed of years ago including CLIMBS Community Action Response and Emergency Services (CLIMBS CARES) fire station. We will also aim for the development of Cooperative College of the Philippines grounds in El Salvador City, Misamis Oriental.

We will continue our advocacy on sustainability relating to climate action in collaboration with the government that will complete the value chain for farmers for sustainable agriculture. We will consciously put effort that our practices are aligned on the SDG and ESG goals vis-à-vis our cooperative principles and values.

Most importantly, all these plans will be hand in hand crafted with your support through our Board of Directors with our Management Team, a privilege working hand in hand. In closing, my sincerest thank you to our cooperative owners for the trust you have extended to our team. Your confidence to us is also our confidence as we diligently execute our strategies for 2023. Maraming salamat po.

Mabuhay ang kooperatiba!


NOEL D. RABOY, MBA EX
President and CEO

A Message from CLIMBS' Chairperson of the Board



It has been a year already since we have had our face-to-face General Assembly in Cebu City since the conclusion of the pandemic. I greet with fondness all the representatives of our member-cooperatives, our highly-esteemed stakeholders, gathered in this General Assembly.

CLIMBS has not only grown big in terms of coverages and pecuniary standards. It has also steadily widened its reach and heightened its market position. It has aggressively gained wider social admiration from the communities it has unreservedly served and cared for. It has merited stronger partnership locally and internationally which it continued to nurture and cement through amiable and agreeable discussions and explorations on new SGD initiatives.

Overcoming the ordeal of the pandemic, CLIMBS has shown its sturdiness in terms of its capacity to bounce back spontaneously from the vicissitudes of recovering and rediscovering platforms responsive and advantageous to the insurance business. Remarkably, its operation for the year 2022 was indeed another resounding success.

From within, it has successfully navigated its many subsidiaries from organizational and technical to operational rehashes, reforms and retrofitting. From without, it has excelled in partnership programs having successfully maintained its relations with international federations and alliances. Not to mention, the establishment of the first ever Cooperative College of the Philippines, CLIMBS has indeed championed the revitalization of education and training at the heart of the cooperative movement in the country.

With endless narrative of triumphs and assurances, as your Chairman, I felt privileged indeed to welcome you all to this year's General Assembly. With a forward-looking management manning our insurance businesses, I lift all else to God – including my dream and acclamation— that CLIMBS will continue to climb the ladder of success in its operations in the years to come. Soon, we all gonna count the twenty million Juan Dela Cruzes of the country's grassroots among those we care and serve.

A handwritten signature in black ink, appearing to read 'f Elmo', positioned above the printed name of the chairperson.

REV. FR. ELMO P. MANCHING
Chairperson

Board of Directors and Officers

2021-2022



Fr. Elmo P. Manching
Chairperson

METRO ORMOG COMMUNITY
MULTI-PURPOSE COOPERATIVE

Chairperson of Metro Ormoc Community Cooperative for 6 years and is also a Director for also a Deputy Action Bank of



Judge Antonio Manuel A. Alcantara, Ret.
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.



Hermes G. Vergara
Director

ORO INTEGRATED COOPERATIVE

Ms. Vergara worked with NGOs and the cooperative movement for the past 32 years. Formerly, she was the Chairperson of Oro Integrated Cooperative and currently the Vice-Chairperson. She's also a Director of Bank of Hope, Inc. and the current Chairperson of Mindanao Cooperative Hostel Services.



Noel O. Quidilla
Director

TAGUM COOPERATIVE

Mr. Quidilla is a Director of Tagum Cooperative for 6 years and is the former Chairperson in 2016.



Lillian D. Silubrico, CPA
Director

HOLY CROSS SAVINGS AND CREDIT
COOPERATIVE

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



Fiscal Jose Agerico R. De Guzman, Ret.
Director

MAKILALA MULTI-PURPOSE
COOPERATIVE



Marlene D. Sindayan
Director

NOVALICHES DEVELOPMENT
COOPERATIVE

Ms. Sindayan served as Director of Novaliches Development Cooperative for 6 years and was the Chairperson from 2009-2014. She served as the Treasurer of Philippine Cooperative and a Council Member for Sector at the National



Sarah T. Agner
Director

PHCCI MULTI-PURPOSE
COOPERATIVE TAGLOBAN

Ms. Agner has been in the teaching profession for 29 years and joined the cooperative movement in 2003. Currently, she served as Director to PHCCI Multi-Purpose Cooperative of Tacloban (Vice Chairperson), CLIMBS Life and General Insurance Cooperative and Cooperative Bank of Cebu.



Fiscal May Flor V. Duka
Director

DCCCO MULTI-PURPOSE
COOPERATIVE

Fiscal Duka joined the cooperative movement through Dumaguete Cathedral Credit Cooperative Multipurpose Cooperative as Committee Officer then later as Vice Chairperson. She is also a Development Educator.



Associate Justice Edgardo L. Delos Santos, Ret.
Independent Director

CEC

Associate Justice Delos Santos finished his law course in 1977 from the University of San Carlos, Cebu City. He is currently a Director of the San Miguel Yamamura Packaging International Limited and San Miguel Yamamura Packaging Corporation, both subsidiary corporations of San Miguel Corporation.



MGen. Gilbert S. Llanto, Ret.
Independent Director

ACDI MULTIPURPOSE COOPERATIVE

Retired Major General co-founded Aces Credit Cooperative Development Inc., (1981, the forerunner of Multipurpose Cooperative currently the Chairperson of ACDI Multipurpose Cooperative and has been serving the cooperative sector for 40 years.



Atty. Daniel O. Evangelio, Jr.
Corporate Secretary

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.



Atty. Isidro Q. Lico
Treasurer

MINDANAO CONSOLIDATED COOPERATIVE BANK

Atty. Lico is a lawyer based in Cagayan de Oro City. He has been in the practice of law for over 30 years, apart from the one term he served as the Representative under the Adhikaing Inataguyod ng Kooperatiba (AI-ING-KOOP) partylist.



Fermin L. Gonzales
President Emeritus

Mr. Gonzales is the former President and CEO of CLIMBS Life and General Insurance Cooperative from 1993 to 2017. He was the Chairperson of CLIMBS Share Capital Equity Investment Fund Corporation, CLIMBS Investment Management and Advisory Corporation and President and CEO of Cosmopolitan CLIMBS Life Plan, Inc. He has been serving the cooperative industry for forty (40) years.





Rev. Fr. Elmo P. Manching
Chairperson
Metro Ormoc Community
Multi-Purpose Cooperative



**Judge Antonio Manuel
A. Alcantara, Ret.**
Vice Chairperson
Perpetual Help
Community Cooperative



Hermes G. Vergara
Director
Oro Integrated
Cooperative



Noel O. Quidilla
Director
Tagum
Cooperative



**Lillian D. Silubrico,
CPA**
Director
Holy Cross Savings and
Credit Cooperative



**Fiscal Jose Agerico R.
De Guzman, Ret.**
Director
Makilala Multi-Purpose
Cooperative



Marlene D. Sindayen
Director
NOVALICHES DEVELOPMENT
COOPERATIVE



Sarah T. Agner
Director
PHCCI MULTI-PURPOSE
COOPERATIVE TAGLOBAN



Fiscal May Flor V. Duka
Director
DCCCO MULTI-PURPOSE
COOPERATIVE



**Associate Justice Edgardo
L. Delos Santos, Ret.**
Independent Director

CEC



MGen. Gilbert S. Llanto, Ret.
Independent Director

ACDI MULTIPURPOSE COOPERATIVE



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

TORIL COMMUNITY COOPERATIVE



Atty. Isidro Q. Lico
Treasurer

MINDANAO CONSOLIDATED COOPERATIVE BANK



Fermin L. Gonzales
President Emeritus

Committees

2021-2022

Audit Committee



Joselito O. Santillan

STA. ANA MULTI-PURPOSE COOPERATIVE

Mr. Santillan is the Vice Chairperson of Sta. Ana Multi-Purpose Cooperative. He is a former Director and Ethics Committee Chair of CLIMBS and a former Director of Coop Bank of Davao del Sur and interim Director of Consolidated Coop Bank.



Dr. Paciano P. Bacani

ISABELA STATE UNIVERSITY MULTI-PURPOSE COOPERATIVE

Dr. Bacani is a Director of ISU Multi-Purpose Cooperative, he has been serving ISU MPC for 35 years. He is the former Chairperson of NATCCO, PCC, NAPC, and NORLU CEDEC. He is a retired professor.



Brian P. Yap

CEBU PEOPLE'S MULTI-PURPOSE COOPERATIVE

Mr. Yap is the current President and CEO of Cebu People's Multi-Purpose Cooperative and was a Director of Cooperative Bank of Cebu.

Election Committee



Atty. Rolando C. Casaway

NABUNTURAN INTEGRATED COOPERATIVE

Atty. Casaway was a former Chairman of Tagum Coop and now an incumbent Director of Nabunturan Integrated Cooperative. He was the past Vice Chair of MASSPEC and ELECOM chair of NATCCO. He is in the active private practice of law for 53 years.



Alexander B. Raquero

STA. CRUZ SAVINGS & DEVELOPMENT COOPERATIVE

Mr. Raquero is the Chairperson of Sta Cruz Savings and Devt Coop. He was a former Chairperson of Ilocos Consolidated Coop Bank and National Cooperative Devt Council and was the National President of Coop Natcco Party list and Chairperson of RCDC Finance Cluster Region 1.



Elizabeth G. Gabutin

GUADALUPE COMMUNITY MULTI-PURPOSE COOPERATIVE

Ms. Gabutin is a current Director of Guadalupe Community Multi-Purpose Cooperative and served Guadalupe Coop since 1996 and served as Director and Vice Chairperson.

Ethics Committee



Cynthia E. Fulgueras

BASUD DEVELOPMENT COOPERATIVE

Ms. Fulgueras is a BADEVCO member since 1970 of which has served as Director, Vice Chairperson and Chairperson. She was also a PFCCO National Director and PFCCO Bicol Director. She is a GAD Trainer from 2014 to present.



Roberto C. Mascariña

BARANGKA CREDIT COOPERATIVE

Mr. Mascariña has been an active advocate of cooperativism to the international and local institutions, credit unions and organizations for almost 37 years.



Rey R. Gauran, MPA

STA. CATALINA CREDIT COOPERATIVE

Mr. Gauran is the Chairperson of the Board of Directors in Sta. Catalina Credit Cooperative, Cotabato.

Mediation Committee



Janette B. Romero

BOHOL COMMUNITY MULTI-PURPOSE COOPERATIVE

Ms. Romero is the Chief Executive Officer of Bohol Community Multipurpose Cooperative. She graduated Bachelor of Laws at University of Bohol. She is a mental health and women empowerment advocate. She is also the GAD Representative of NATCCO.



Eric F. Dizon

MANATAL MULTI-PURPOSE COOPERATIVE

Mr. Dizon is a member of a cooperative since 1996. He served as a Chairperson of the Credit and Education Committee. He is currently the Chairperson of Bulacan Cooperative Hall of Fame League Union and Development Educator of Association of Asian Confederation of Credit Unions.



Antonieto M. Viña

PAGLAUM MULTI-PURPOSE COOPERATIVE

Mr. Vina is currently the Vice Chairman of Paglaum Multi-Purpose Cooperative.

Gender & Development Committee



Dr. Irma E. Cruz

ST. MARTIN OF TOURS CREDIT & DEVELOPMENT COOPERATIVE

Dr. Cruz is currently the Vice Chairperson of St. Martin of Tours Credit and Development Cooperative, Chairperson of GAD Committee of CLIMBS and Chairperson of Committee on Properties and Fixed Assets in SMTCCD.



Albin O. Respuesto

AGDAO MULTI-PURPOSE COOPERATIVE

Mr. Respuesto is a former Chairman of Agdao Multi-Purpose Cooperative for 4 consecutive years, the first home grown billionaire Cooperative in Davao City. He was also a member of the Board of Directors and a member of the Ethics Committee.



Alma S. Ferreros

SAN DIONISIO CREDIT COOPERATIVE

Ms. Ferreros is a Director of National Cooperative Marketing Federation and Metro Manila Saving Cooperative. She is the current Chairperson of GAD Committee of NCMF and a member of the Business Development Committee from 2022 to present.

Remuneration Committee



Paciencia A. Tamarong

AURORA INTEGRATED MULTI-PURPOSE COOPERATIVE

Mr. Tamarong is the former General Manager and CEO of AIMCOOP. Now he is the CEO-Emeritus of AIMCOOP.



Jovito M. Glodo

PANABO MULTI-PURPOSE COOPERATIVE

Mr. Glodo is a former City Councilor in Panabo City and was Chairman of Sabon Depot Mindanao.



Jose Eduardo C. Mandapat, Jr.

LANBANKERS' MULTI-PURPOSE COOPERATIVE

Mr. Mandapat, Jr., works at the Land Bank of the Philippines for the past 27 years. He is the current Chairperson of LandBankers' Multi-Purpose Cooperative.

Top Management

2021-2022



Noel D. Raboy

President & CEO



Rowena R. Abella

Vice President for Marketing



Reynaldo G. San Andres, CPA

Vice President for Finance,
Investment and Treasury / Chief
Finance Officer



Blesilda L. Cumba

Vice President for Operations



Renan P. Diaz

Vice President for Sales



Donna Marie Michelle C. Dizon

Vice President for Admin & Corp. Planning,
CEO & Principal - Co-op College Ph,
Executive Director - NaFeCoop



Henry M. Lopez

Chief Executive Officer (Ex-officio)
Coop Life General Insurance and
Financial Services Agency



Nancy G. Ortega

Assistant Vice President
for Life Division



Atty. Cyril Francis S. Casiño

Legal and Compliance Officer
Data Privacy Officer



Bernadeth N. Bernadas

Assistant Vice President
for Non Life Division



Middle Management Team

AMIE GRACE M. SABORNIDO, CPA
Controller

CHERYL LIZA C. GALLA
Investment Manager

MARIA THERESA L. SENECA
Treasury Officer

ANNA MARIE M. SURIA
Chief Cashier

MARIETTA V. MAGALLONES
Human Resources and Admin Manager

RUEL T. ARSUA
OIC-CAC Manager

MAYR JHOREY B. RAMOS
OIC-Claims Manager

GRETCHEN M. BABANTO
Life Underwriting Manager and
OIC Actuary Manager

CAMILO M. DEL ROSARIO JR.
Non Life Company Underwriter

JUNEVIC R. ITEM
OIC Non Life National Sales Manager

LOUIE R. JOPSON
Underwriter

HAZELYN D. LABUDAHON
Branch Operations Manager (Quezon City)

ERIC R. CLAMONTE
Branch Operations Manager (Cebu)

DONABELLE M. NAMOC
Branch Operations Manager (Davao)

ENGR. CHARLES L. MAGARIN
ICT Head/CLIMBS CARES

CYFRED U. ODARVE, MIT
IT Manager

IELYN G. ASAY
Chief Internal Auditor

ROWENA P. CASINILLO
Assistant Compliance Officer

JONAFLOR S. VALDEZ
RI & Data Quality Center Head

LAURICE DEE O. IÑOSA
Coop College PH Program Officer

Agenda

2021-2022

1. House Rules
2. Call to Order
3. Proof of Due Notice of Assembly
4. Roll Call and Confirmation of Quorum
5. President and CEO's Message
6. Chairperson's Message
7. Presentation of Candidates
8. Agenda
 - a. Approval of the Proposed Agenda
 - b. Consideration and Approval of the Minutes of the 50th Annual General Assembly
 - i. Matters Arising from the Minutes of 50th Annual General Assembly
9. Consideration of Reports
 - a. Board and Management Report
 - b. Election Committee Report
 - c. Audit Committee Report
 - d. Audited Financial Statements
10. Board Resolutions for Approval of the General Assembly
11. Proposed 2023 Budget
12. Proposed 2023 CDF and CETF Plan
13. Proposed 2023 Operational Plan
14. Recommendations and New Business
15. Other Matters
16. Election Proper
 - a. Declaration of Newly Elected Officers
17. 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.

Minutes of Meeting

2021-2022



CLIMBS Life and General Insurance Cooperative



2

3

4

OFFICIAL MINUTES OF THE PROCEEDINGS OF THE 50TH CLIMBS ANNUAL GENERAL ASSEMBLY

5

July 08, 2022 (Friday) • 11:24 AM

6

Vivace Events Center, Cebu Ocean Park – Cebu City

7

8

- | | |
|---|--------------------------|
| 1. Fr. Elmo P. Manching (Metro Ormoc Community Cooperative) | - Chairman |
| 2. Atty. Antonio Manuel A. Alcantara (Perpetual Help Community Coop) | - Vice Chairman |
| 3. Marlene D. Sindayen (Novaliches Development Cooperative) | - Director |
| 4. Marjorie P. Ablaza (San Dionisio Credit Cooperative) | - Director |
| 5. Atty. Daniel O. Evangelio, Jr. (Toril Community Cooperative) | - Director |
| 6. Sarah T. Agner (PHCCI Multipurpose Cooperative Tacloban) | - Director |
| 7. Lillian D. Silubrico (Holy Cross Savings and Credit Cooperative) | - Independent Director |
| 8. Mr. Reynaldo M. Vergara | - Independent Director |
| 9. Atty. Rolando C. Casaway (Nabunturan Integrated Cooperative) | - Election Committee |
| 10. Atty. Jose Agerico R. De Guzman (Makilala MPC) | - Election Committee |
| 11. Alexander B. Raquipo (Sta. Cruz Savings & Dev't.) | - Election Committee |
| 12. Marie Dee B. Belagan (Providers MPC) | - Audit Committee |
| 13. Dr. Paciano Bacani (Isabela State University MPC) | - Audit Committee |
| 14. Dr. Eduard C. Amoguis (Tagum Cooperative) | - Audit Committee |
| 15. Joselito O. Santillan (Sta. Ana MPC) | - Ethics Committee |
| 16. Cynthia E. Fulguerass (Basud Development Cooperative)(<i>Excused</i>) | - Ethics Committee |
| 17. Albin O. Respuesto (Agdao MPC) | - Ethics Committee |
| 18. Janette Romero (Bohol Community MPC) | - Mediation Committee |
| 19. Atty. Vivian O. Maquiling (Dumaguete Cathedral Credit Coop) | - Mediation Committee |
| 20. Eric F. Dizon (Manatal MPC) | - Mediation Committee |
| 21. Jovito M. Glodo (Panabo MPC) | - GAD Committee |
| 22. Antonieto M. Vina (Paglaum MPC) | - GAD Committee |
| 23. Dra. Irma E. Cruz (St. Martin of Tours Credit & Dev't. Coop) | - GAD Committee |
| 24. Daven P. Gamolo (Oro Integrated Cooperative) | - Remuneration Committee |
| 25. Jose Eduard C. Mandapat, Jr. (Landbankers MPC) (<i>Excused</i>) | - Remuneration Committee |
| 26. Pacenciano A. Tomarong (AIMCOOP) | - Remuneration Committee |
| 27. Doris B. Calapiz (Oro Integrated Cooperative) | - Treasurer |

35

OPENING PROGRAM

36

37

38

The 50th CLIMBS Annual General Assembly started with an Invocation, the singing of the National Anthem and the recitation of the Coop Pledge.

39

40

41

42

Minutes of Meeting

2021-2022

1
2 **BUSINESS ASSEMBLY PROPER**
3
4 **I. Call to Order**
5 Chairperson Fr. Elmo Manching called the meeting
6 to order at 11:24am and read the House Rules.
7
8 **II. Proof of Due Notice**
9 Corporate Secretary Isidro Lico declared that a
10 Proof of Due Notice was sent to the members-
11 cooperatives through mails and emails last week
12 of April 2022 or more than fifteen (15) days from
13 the actual conduct of the Annual General
14 Assembly.
15
16 **III. Roll Call and Determination of Quorum**
17 Corporate Secretary Isidro Lico attested that there
18 are 198 registered delegates, 177 of these are
19 voting delegates, and therefore, there is a
20 quorum.
21
22 **IV. Approval and Adoption of Agenda**
23 House Rules
24 Call to Order
25 Chairperson's Message
26 Proof of Due Notice of Assembly
27 Roll Call and Confirmation of Quorum
28 Presentation of Candidates
29 Approval of the Agenda
30 Reading and Approval of the Minutes of the 47th
31 Annual General Assembly held in Blue Leaf, Pasay
32 City on April 25, 2019
33 Matters Arising from Previous General Assembly
34 Minutes
35 2021 Annual Report
36 1. Board and Management Report
37 2. Audited Financial Statements
38 3. Proposed Budget for the Year 2022 and
39 Ratification of Budget for year 2020 &
40 2021
41 4. Audit Committee Report
42 5. Election Committee Report
43 6. Proposed Amendments to the By Laws
44 a. Article of Cooperation – Article II,
45 Objectives, Secondary Purposes
46 b. By Laws – Article II, Section 5 Share
47 Capital Subscription
48 c. By Laws – Article III, Section 18
49 Regular General Assembly Meeting
50 d. By Laws – Article IV, Section 24
51 Composition of the Board of
52 Directors
53 e. By Laws – Article IV, Section 29
54 Meetings of the Directors

56 Removal of Director and
57 Committee Member
58 g. By Laws – Article IV, Section 51-A
59 President of CLIMBS
60 h. By Laws – Article V, Section 39
61 Remuneration and Personnel
62 Committee
63 i. By Laws – Article X, Section 58
64 Order of the Distribution of Net
65 Surplus
66 Resolutions, Recommendations and New Business
67 Other Matters
68 Declaration of the Newly Elected Officers
69 Adjournment
70
71 **GA Resolution No. 1, series of 2022**
72
73 On motion made by Roger Ocaya of DMPI
74 Employees & Community Credit Cooperative, duly
75 seconded by Ms. Alma Ferreros of San Dionisio
76 Credit Cooperative and unanimously carried, the
77 Assembly approved the Agenda of the 2022
78 Annual General Assembly
79
80 Fr. Anton Pascual of Simbayanan ni Maria MPC
81 proposed to be added under Other Matters in the
82 agenda the creation of the Technical Working Group
83 (TWG) to study the consolidation or merger of
84 CLIMBS and 1CISP.
85
86 **V. Presentation of Candidates**
87 Election Committee Chair Atty. Rolando Casaway
88 then led the presentation of candidates to the
89 assembly.
90
91 **VI. Reading and Approval of the Minutes of the**
92 **47th Annual General Assembly**
93
94 **GA Resolution No. 2, series of 2022**
95
96 On motion made by Mr. Jonathan Lopez of Toril
97 Community Cooperative, duly seconded by Ms.
98 Elizbeth Gabutin of Guadalupe Community MPC
99 and unanimously carried, the Assembly approved
100 to dispense the reading of the minutes of the 47th
101 Annual General Assembly held in Blue Leaf, Pasay
102 City.
103
104 **VII. Matters Arising from Previous General**
105 **Assembly Minutes**
106 There have been no other matters arising from
107 the previous General Assembly minutes.
108
109 **GA Resolution No. 3, series of 2022**
110

Minutes of Meeting

2021-2022

1 On motion made by Fr. Anton Pascual of
2 Simbayanan ni Maria MPC, duly seconded by Ms.
3 Hermes Vergara of Oro Integrated Cooperative
4 and unanimously carried, the Assembly approved
5 and adopt the minutes of the 47th Annual General
6 Assembly.

8 VIII. 2021 Annual Report

10 1. Board and Management Report

11 President and CEO Noel Raboy presented the
12 Board and Management report which can be
13 found on pages 19 to 40 on the 2021 Annual
14 Report.

15 GA Resolution No. 4, series of 2022

17 On motion made by Ms. Soledad Cabangis of St.
18 Martin of Tours Credit and Development
19 Cooperative, duly seconded by Ms. Lani Abada of
20 St. Peter & Paul MPC and unanimously carried,
21 the Assembly approved the 2021 Board and
22 Management Report.

24 ELECOM Chairman Atty. Rolando Casaway
25 declared the commencement of the casting of
26 votes until 2:30pm. Chairperson Fr. Elmo
27 Manching then announced a recess for lunch.

29 GA Resolution No. 5, series of 2022

31 On motion made by Engr. Adelaida Padilla of
32 Agusan Del Sur Capitol Employees MPC, duly
33 seconded by Ms. Hermes Vergara of Oro
34 Integrated Cooperative and unanimously carried,
35 the Assembly approved the resumption of the
36 General Assembly meeting.

38 2. Audited Financial Statement

39 Reyes Tacandong & Co. presented the audited
40 Financial Statements of CLIMBS which can be found
41 on pages 46-93 of the 2021 Annual Report.

43 GA Resolution No. 6, series of 2022

45 On motion made by Mr. Rey Domaboc of Cypress
46 Employees MPC, duly seconded by Ms. Madeline
47 Lagazo of Claveria Grassroots MPC and
48 unanimously carried, the Assembly approved the
49 2021 Audited Financial Statements.

51 3. Proposed Budget for Year 2022

52
53 CLIMBS VP and CFO Reynaldo San Andres presented
54 the Proposed Budget which can be found on page
55 102 of the 2021 Annual Report.

57 GA Resolution No. 7, series of 2022

59 On motion made by Fr. Anton Pascual of
60 Simbayanan ni Maria MPC, duly seconded by Mr.
61 Jesus Cornito of Memorial Services Cooperative
62 Federation and unanimously carried, the
63 Assembly adopted and approved the proposed
64 2021 budget.

66 Mr. Roy Quintero of PHCCI MPC Tacloban asked
67 where to get the funding for the possible
68 purchase of property in Davao and the
69 construction of the new building in Cagayan de
70 Oro. VP & CFO Reynaldo San Andres answered
71 that CLIMBS currently has Php111,000,000.00
72 fully funded Optional Fund which can be used for
73 the construction.

75 Mr. Roy Quintero made a follow up question if
76 CLIMBS have any other funds aside from the
77 optional fund and where does CLIMBS plan to use
78 them, if there are any. VP & CFO Reynaldo San
79 Andres answered that CLIMBS has CDF and CETF
80 and the budget for the use of these funds will be
81 presented to the Assembly. President and CEO
82 Noel Raboy added that CLIMBS also has a
83 reserved fund of which the use of this fund is
84 highly restricted and it is managed in accordance
85 with the guidelines of the Insurance Commission.

87 Fr. Anton Pascual of Simbayanan ni Maria MPC
88 inquired if CLIMBS have a plan to be ISO-Certified.
89 Chairperson Fr. Elmo Manching answered that the
90 Cooperative College of the Philippines is taking an
91 initial step towards achieving the ISO Certification.

93 Plan on the Use of CDF

94 CLIMBS VP and CFO Reynaldo San Andres presented
95 the plan for the use of the CDF.

97 GA Resolution No. 8, series of 2022

99 On motion made by Mr. Ramil Repe of Perpetual
100 Help Community Cooperative, duly seconded by
101 Mr. Leo Camposano of PHCCI MPC Tacloban and
102 unanimously carried, the Assembly adopted and
103 approved the plan and budget on the use of
104 Community Development Fund (CDF) and
105 Cooperative Education and Training Fund (CETF)
106 for the year 2022.

108 Resolved further, approving the 100% remittance
109 of CLIMBS' CETF to NaFeCoop or any other
110 federations approved by the Board of Directors in
111 compliance with the CDA MC 2019-08 and 2020-
112 01.

114 Resolved finally, approving the investment of
115 CLIMBS' managed fund in compliance with the RA

Minutes of Meeting

2021-2022

1 10607 of Insurance Code and RA 9520 of
2 Cooperative Code to any investment instrument
3 available in the market, as follows:

4 -
5 1. Government Securities – no limitation, to fund
6 the Investment Reserves required by IC, GRF and
7 Optional Fund required by CDA; and
8 2. Corporate bonds, IMA, UITF, Mutual Fund,
9 Stock (PSE), REIT and other Long-term notes –
10 provided that each maximum amount is not more
11 than 10% of the Admitted Assets for Life and 25%
12 of the Net Worth of Non-Life based on the latest
13 approved Synopsis by IC.

15 **Ratification of the 2020-2021 Budget**

17 **GA Resolution No. 9, series of 2022**

18
19 On motion made by Mr. Cliffordson Lariosa of
20 Perpetual Help Community Cooperative, duly
21 seconded by Mr. Leo Camposano of PHCCI MPC
22 Tacloban and unanimously carried, the Assembly
23 approved and ratified the Budget for the year
24 2020 and 2021.

26 **4. Audit Committee Report**

28 **GA Resolution No. 10, series of 2022**

29
30 On motion made by Mr. Cliffordson Lariosa of
31 Perpetual Help Community Cooperative, duly
32 seconded by Ms. Nena Espinola of Novaliches
33 Development Cooperative and unanimously
34 carried, the Assembly approved to dispense the
35 reading of the Audit Committee report.

37 **GA Resolution No. 11, series of 2022**

38
39 On motion made by Ms. Lani Abada of St. Peter &
40 Paul MPC, duly seconded by Engr. Adelaida Padilla
41 of Agusan Del Sur Capitol Employees MPC and
42 unanimously carried, the Assembly adopted and
43 approved the Audit Committee Report.

45 **5. Election Committee Report**

47 **GA Resolution No. 12, series of 2022**

48
49 On motion made by Mr. Leo Camposano of PHCCI
50 MPC Tacloban, duly seconded by Ms. Nena
51 Espinola of Novaliches Development Cooperative
52 and unanimously carried, the Assembly approved
53 to dispense the reading of the Election Committee
54 Report.

56 **GA Resolution No. 13, series of 2022**

57

58 On motion made by Ms. Elizabeth Gabutin of
59 Guadalupe Community MPC, duly seconded by
60 Ms. Doris Canares of TMX Credit Cooperative and
61 unanimously carried, the Assembly approved and
62 adopted the Election Committee Report.
63

64 **6. Proposed Amendments to the Articles of** 65 **Cooperation and By Laws:**

66 ELCOM Chairman Atty. Rolando Casaway
67 presented the proposed amendments to the
68 articles of cooperation and by laws which can be
69 found on pages 105 to 108 on the 2021 Annual
70 Report.

72 **GA Resolution No. 14, series of 2022**

73
74 On motion made by Mr. Arnold Suaybaguio of
75 Baug CARP Beneficiaries MPC, duly seconded by
76 Ms. Madeline Lagazo of Claveria Grassroots MPC
77 and unanimously carried, the Assembly approved
78 and adopted the proposed amendments to the
79 CLIMBS Articles of Cooperation and By Laws.
80

81 Mr. Cliffordson Lariosa of PHCCI Dumaguete
82 commented that the presentation of the
83 proposed amendments is more apt to be part of
84 the Board and Management Report than from the
85 Election Committee. President and CEO Noel
86 Raboy appreciate the observation of Mr. Lariosa
87 and further explained that the Board has
88 delegated the said agenda to the Election
89 Committee.

92 **IX. Resolutions, Recommendations and New** 93 **Business**

95 **GA Resolution No. 15, series of 2022**

96
97 On motion made by Ms. Ma. Wilnah Gindap of
98 Bugasong MPC, duly seconded by Fr. Anton
99 Pascual of Simbayanan ni Maria MPC and
100 unanimously carried, the Assembly approved and
101 ratified the 157 resolutions and recommendations
102 made by the Board of Directors with a total of
103 fifteen (15) Board Meetings for the year 2021.
104

105 **X. Other Matters**

107 **Creation of Technical Working Group (TWG) for** 108 **the Possibility of CLIMBS and 1CISP Merger**

110 **GA Resolution No. 16, series of 2022**

111
112 On motion made by Fr. Anton Pascual of
113 Simbayanan ni Maria MPC, duly seconded by Ms.
114 Ma. Theresa Pacatang of Most Holy Rosary MPC

Minutes of Meeting

2021-2022

1 and unanimously carried, the Assembly approved
 2 the creation of the Technical Working Group
 3 (TWG) between CLIMBS and 1CISP to study the
 4 possibility of merger subsequently after the result
 5 of 1CISP's due diligence audit by the third party
 6 accounting firm.

7
 8 Resolved further, approving that the cost of the
 9 due diligence audit and meetings will be
 10 shouldered by 1CISP.

11
 12 Mr. Ramil Repe of Perpetual Help Community
 13 Cooperative stated the need to create a separate
 14 TWG for CLIMBS and for 1CISP to protect the
 15 interest of the members of CLIMBS.

16
 17 Chairperson Fr. Elmo Manching emphasized that it
 18 is important to have proper data and proper
 19 figures when creating a TWG. 1CISP should
 20 produce first the result of their due diligence audit
 21 before creating a TWG and the expenses of this
 22 audit should be shouldered by 1CISP.

23
 24 Mr. Ramil Repe of Perpetual Help Community
 25 Cooperative suggested that if CLIMBS will submit
 26 to the merger, the Management and the CLIMBS
 27 Board of Directors should consult first the Primary
 28 Cooperatives because they were not given
 29 authority by their respective Cooperatives to
 30 discuss the merger during the CLIMBS General
 31 Assembly.

32
 33 Director Marlene Sindayen clarified that there has
 34 been no talks yet regarding the consolidation or
 35 merger of CLIMBS and 1CISP. She also added that
 36 this matter should also be discussed thoroughly.

37
 38 President and CEO, Mr. Noel Raboy expressed
 39 that this matter should be given ample time for
 40 discussions especially that CLIMBS do not practice
 41 shared voting and do not allow more than 10%
 42 share capital. CEO Raboy added that the
 43 Management will submit to whatever will be the
 44 decision of the CLIMBS Board of Directors.

Support to Philippine Cooperative Center (PCC)

GA Resolution No. 17, series of 2022

50
 51 On motion made by Mr. Ramil Repe of Perpetual
 52 Help Community Cooperative, duly seconded by
 53 Fr. Anton Pascual of Simbayanan ni Maria MPC
 54 and unanimously carried, the Assembly approved
 55 to support the Philippine Cooperative Center
 56 (PCC) in its motion for reconsideration to

57 Cooperative Development Authority regarding its
 58 order of dissolution.

XI. Declaration of Newly Elected Officers (see annex A)

62
 63 The top three shareholders of CLIMBS that has
 64 been automatically elected to sit in the Board are
 65 as follows:

- 66 1. Metro Ormoc Community MPC – Fr. Elmo
 67 P. Manching
- 68 2. Perpetual Help Community Cooperative –
 69 Judge Antonio Manuel A. Alcantara, (Ret.)
- 70 3. Oro Integrated Cooperative – Ms. Hermes
 71 Vergara

XII. Adjournment

74 With no other matters being discussed, the 50th
 75 Annual General Assembly adjourned at 3:52pm.

76 Minutes taken by:

77
 78 
 79 Cielo Angela A. Jaraula
 80 Recording Secretary

81 Attested by:

82
 83 
 84 Atty. Isidro Q. Lico
 85 Corporate Secretary

87 Approved by:

88
 89 
 90 Fr. Elmo P. Manching
 91 Chairperson

Annex A

Position	Cooperative Name	Represented by	NO. OF VOTES
Regular Board of Directors for Luzon	Holy Cross Savings and Credit Cooperative (HSCCO)	SHURBICO, LILIAN D.	92
Regular Board of Directors for Luzon	Novales Development Cooperative (NOVADECI)	SINDAYEN, MARLENE D.	107
Regular Board of Directors for Luzon	San Dionisio Credit Cooperative	FERREROS, ALMA S.	80
Regular Board of Directors for Luzon	St. Martin of Tours Credit and Development Cooperative (SMTCDC)	CRUZ, RIMA C.	68
Regular Board of Directors for Visayas	DCCCO Multipurpose Cooperative	DUNA, MAY FLOR V.	203
Regular Board of Directors for Visayas	Perpetual Help Multipurpose Cooperative (PHCO-MPC Tadoban)	AGNER, SARAH T.	213
Regular Board of Directors for Mindanao	MSU-IT National Multipurpose Cooperative (MSU-IT NMPC)	VILLANUEVA, EMMANUEL C.	104
Regular Board of Directors for Mindanao	Mabilala Multipurpose Cooperative (Mak-MPC)	DE GUZMAN, ATTY. JOSE AGERICO R.	128
Regular Board of Directors for Mindanao	Tagum Cooperative	OSIELLA, NOEL O.	138
Regular Board of Directors for Mindanao	Toril Community Cooperative	EVANGELIO, ATTY. DANIEL III O.	124
Audit Committee	Cebu People's Multi Purpose Cooperative	YAP, BRIAN P.	518
Audit Committee	ISU Multipurpose Cooperative	BAGANI, PASCANO P.	478
Audit Committee	Sks. Ana Multipurpose Cooperative (SAMULCO)	SANTILLAN, JOSELETO O.	525
Election Committee	Guadalupe Community Multi-purpose Cooperative	GABUTIN, ELIZABETH G.	461
Election Committee	Nabunturan Integrated Cooperative (NICO)	CASAWAY, ATTY. ROLANDO C.	496
Election Committee	Sks. Cruz Savings and Development Cooperative (SACDECO)	RACREPO, ALEXANDER B.	548

Certified 
 Atty. Isidro Q. Lico
 Atty. Jose Angelito R. de Guzman
 Mr. Alexander Racrepo



BOARD AND MANAGEMENT SUSTAINABILITY REPORT



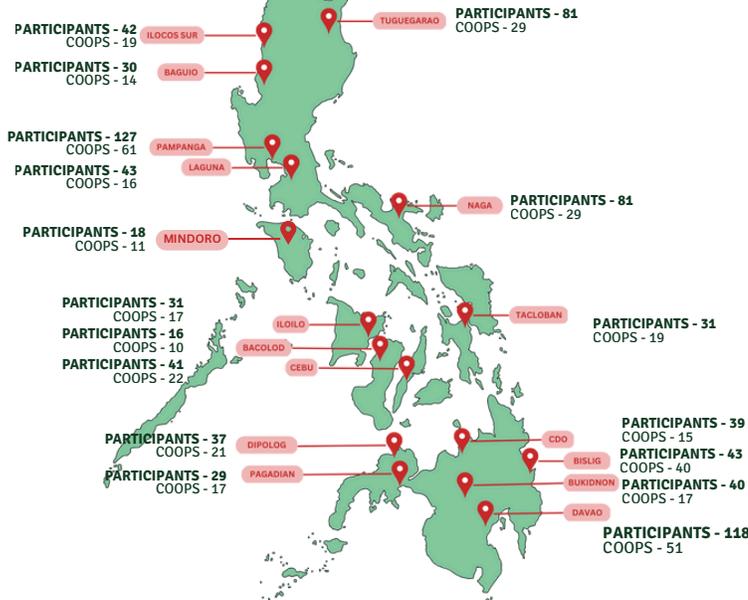


Cooperatives can help to promote environmental sustainability and address environmental issues. CLIMBS is starting to demonstrate its strong commitment to environmental responsibility through various actions and initiatives as part of the ESG (Environmental, Social, and Governance) framework.

The enhanced **Weather Protect Insurance** and continuing learning sessions, information and awareness campaigns on the climate risks promote environmental sustainability that supported sustainable living. Having paid 1,152M claims in 2022, some cooperatives provided organic fertilizers and inputs to famer-members and beneficiaries. CLIMBS, in partnership with global organizations, provided educational resources to help members make environmentally-friendly and sustainable choices and smart farming advisories. By end of 2022, 3,600 farmers were reached, impacting 18,000 households with a scale of 36,000 farmers reaching 180,000 households nationwide.

As the year closed, **CLIMBS made a significant contribution in promoting environmental sustainability** and has presented best practices in several fora and conferences here and abroad through the WPI and addressing the important environmental challenges as part of the ESG framework , supporting a more sustainable future.





803
Total Number of Participants

394
Total Number of Cooperatives Reached

17
Total Number of Roadshows

17 WEATHER PROTECT INSURANCE ROADSHOWS NATIONWIDE



"We can do more than just protection as we step up to combat climate change." This was the message of the Coop Climate Summit 2022: Cooperatives for Climate Action and Education at the Philippine International Convention Center. The summit was attended by 86 cooperatives and 200+ delegates. November 23, 2022

1 COOP CLIMATE SUMMIT

"Climate Action: Social Protection within reach for Filipinos in Grassroots Communities - A Microinsurance Awareness Session"
 January 28, 2022



The International Cooperative and Mutual Insurance Federation (ICMIF) Zoom webinar: "Mutual Parametric Solutions". Mr. Noel Raboy (President & CEO, CLIMBS) was joined by Lesley Ndlovu of African Risk Capacity Ltd and Dorien Asampana of IBISA.
 October 5, 2022



The CLIMBS Top Management headed by President and CEO Noel Raboy met with the Insuresilience Solutions Fund (ISF) team in its Headquarters at the Frankfurt School of Business and Management. Important matters were discussed on the implementation of the CLIMBS-led project on agriculture and climate resilience benefiting the cooperatives, farmers, and agripreneurs in the Philippines.

The relevance of education in addressing the different challenges on sustainability was also highlighted with a future collaboration with the Co-operative College of the Philippines.
 November 9, 2022



Climate Action talks for Resilience and Sustainability with Asian Development Bank (ADB)
 May 17, 2022

The Asia Insurance Review hosted the Asia Nat CAT and Climate Change Conference, held at the Grand Copthorne Waterfront Hotel in Singapore, with the theme: "Unmask the Possibility".

CLIMBS President and CEO, Mr. Noel Raboy was one of the speakers, with his topic 'Adapting to Climate Change in Developing Countries'.
 September 26-27, 2022



CLIMBS President and CEO, Mr. Noel Raboy joined the plenary on Inclusive Resilience through Protection and Prevention during the ICMIF Centenary Conference in Rome, Italy. He presented the parametric Weather Protect Insurance which is CLIMBS's, together with its member cooperatives, contribution to Climate Action and is aligned to the Sendai Framework for Disaster Risk Reduction 2015-2030.
 October 27, 2022



CLIMBS was among the panelists to the round table discussion on Responsible Business Conduct in the Food Value Chains in the Philippines sponsored by the Philippines Partnership for Sustainable Agriculture (PPSA) and AGREA Foundation with the Ambassador of the Netherlands as Keynote Speaker. CLIMBS was represented by Vice President for Marketing, Ms. Rowena R. Abella together with CAC Field Officer for Luzon, Ms. IV Delos Reyes.
 November 15, 2022

7 TALK AND MEETING SESSIONS ON CLIMATE ACTION



Promoting social responsibility is part of CLIMBS' DNA as a cooperative. Social responsibility encompasses a range of issues, of which CLIMBS has taken specific issues in community development, equity, diversity and inclusion.

Part of CLIMBS' social responsibility is engaging with and supporting the local communities through the various activities of the **CLIMBS CARES (Community Action Response to Emergency Services)**, medical missions, circumcisions and water distribution to remote communities. In partnership with the Bureau of Fire Protection, CLIMBS also created its own Fire Brigade team that underwent trainings and were certified, ready to be deployed to response actions, along with its volunteer-group partner, the Kusgan Volunteer Inc. (KVI). True to its name and spirit, CLIMBS volunteers were ready to respond to emergency services such as during disasters and other calamities and have been enjoined by other cooperatives who responded to call for action.



79
 6 BOD
 13 Committees
 5 Exec. Mgmt.
 25 Dept. Heads
 42 Rank and File (Reg)
 8 Rank and File (Non-reg)

142
 5 BOD
 5 Committees
 5 Exec. Mgmt.
 40 Dept. Heads
 75 Rank and File (Reg)
 12 Rank and File (Non-reg)

Promotion of diversity and inclusion is also evident, championing gender equality in the workplace. This is evident within the CLIMBS' membership and leadership, as well as supporting diversity and inclusion initiatives in the wider community like the celebration of the Women's month and other related activities.

2 GENDER EQUALITY ACTIVITIES PARTICIPATION





8 BARANGAYS
445 STUDENT BENEFICIARIES
725 HOUSEHOLDS

10 KOOP SKWELA ACTIVITIES

The creation of the **KoopSkwela** (mobile learning hub), organized by CLIMBS and other federations and coops (Coop Life General Insurance & Financial Services Agency (CLIFSA), MASS-SPECC Cooperative Development Center, the National Confederation of Cooperatives (NATCCO Network), First Community Cooperative (FICCO), the National Federation of Cooperative Primaries in the Philippines (NaFeCOOP), Oro Integrated Cooperative (OIC), and the Co-operative College of the Philippines (Co-op College PH)) that responded to the needs of school-children who were affected by the pandemic emphasizes the importance of education at an early stage. As of December 2022, there were eight (8) barangays reached with 145 student-beneficiaries impacting 725 households in a span of six (6) months.



9 BENEFICIARY COOPS FOR WPI PAYOUT



Carmen Samahang Nayon MPC, Oro Integrated Cooperative, Mindanao Consolidated Cooperative Bank, CEC, Metro Ormoc Community MPC, Sta. Monica Bukidnon MPC, Maramag Community MPC, First Agrarian Reform Credit Cooperative Christian Farmers MPC

2 RELIEF OPERATIONS FOR TYPHOON AND FLASHFLOOD VICTIMS



CLIMBS through CLIMBS CARES initiated relief operations for devastated areas of Typhoon Odette in Bohol and for flash flood victims in Misamis Occidental and Lanao del Norte.



At a higher cooperative management's needs level, the CLIMBS Institute of Management has successfully pivoted to **Co-operative College of the Philippines** with an official partnership signing with the Co-operative College of UK to promote the cooperative education worldwide. In the Philippines, the Co-op College Ph also partnered with the Asian Institute of Management. Two (2) flagship programs were developed with these premier institutions for the continuous cooperative education for current and future cooperative managers and leaders.



The cooperative principles on Education, Training and Information, Concern for Community, and Cooperation among cooperatives are evident in the plans, programs and activities promoting social responsibility, diversity and inclusion, demonstrating our support to a more equitable and inclusive society.





Governance, as an important aspect of the ESG framework is being ensured by CLIMBS giving emphasis on member-ownership, with democratic decision-making processes having the members’ voice in the organization’s governance and embodying the cooperative values and principles.

As part of the ESG framework, CLIMBS endeavored to make significant contribution to promoting good governance practices. An example of commitment to good governance and support to a more effective and responsible organization by prioritizing transparency, accountability, ethical behavior, and board diversity and independence. These are reflected in the governance scorecard as well as in the various activities that CLIMBS has engaged with.



On January 29, 2022 the Insurance Commission (IC) awarded the Certificate of Authority to CLIMBS as being compliant to IC regulations and thus will continue to serve its growing members in the coming years.

In summary, effective governance is required for cooperatives to be sustainable, socially responsible, and ethical. It assists in ensuring that the CLIMBS is meeting its initial steps in ESG obligations in the VUCA world and positively contributing to society and the environment.

THE COOPERATIVE PLEDGE

As a Filipino
I am and I believe
In the cooperative
Alone I am weak
But with others I am strong!

So I commit myself
To work, to cooperate
For all to be prosperous
Harmony, industry I will value
Cooperative affairs I will attend
Responsibilities I will assume
The cooperative philosophy I will live.

One vision
One belief
One feeling
In Cooperativism
My life I pledge
So help me God.





PEOPLE



PLANNING



PERFORMANCE



CLIMBS conducted a blended-type learning workshop on Business Innovation Planning in collaboration with the Asian Institute of Management and ARETE Leadership.

January 12, 2022

International Project Evaluation with ILO

February and July, 2022

Mental and Health and Wellness Sessions

February, June, November 2022

An Advanced Reinsurance and Underwriting Training for Sales which was participated by 33 employees and sales agencies from CLIMBS and CLIFSA.

April 21, 2022

CLIMBS Business Review and Training for Luzon, Visayas and Mindanao.

May and June 2022

CLIMBS participated in the ASEAN Reinsurance Program Module: "Reinsurance Planning and Structuring" for Non Life.

August 1, 2022

Nationwide operations backroom support review for life and non life.

August 2 and 25, 2022

Kamustahan with Managers

August 12, 2022

An Actuarial Training with Asian Actuaries was participated by the Operations Team. The training highlighted the International Financial Reporting Standards (IFRS).

September 15, 2022

The Budget Hearing & Strategic Innovation Planning held in Cagayan de Oro City was facilitated by Prof. Rafael Camus of Asian Institute of Management.

November 17, 2022

CLIMBS attended the ICMIF Centenary Conference in Rome Italy with the theme "Leading with purpose". President and CEO Noel Raboy was one of the presenters during the Inclusive Resilience through Protection and Prevention session.

October 24, 2022

CLIMBS Top Management visited the headquarters of the KBC Group (KredietBank and CERA) for a meeting and training on growing digitalization and improving data management in Leuven, Belgium in collaboration with ICMIF member, Belgian Raiffeisen Foundation.

November 4, 2022



Financial Highlights

(As of December 2022)

Gross Premium

Php 2.148
Billion

Net Premium

Php 2.102
Billion

Net Surplus

Php 230.47
Million

Managed Fund

Php 1.890
Billion

Assets

Php 3.952
Billion

Net Worth

Php 2.276
Billion

Claims

Php 1.152
Billion



Financial Highlights

(As of December 2022)

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Php 2.148
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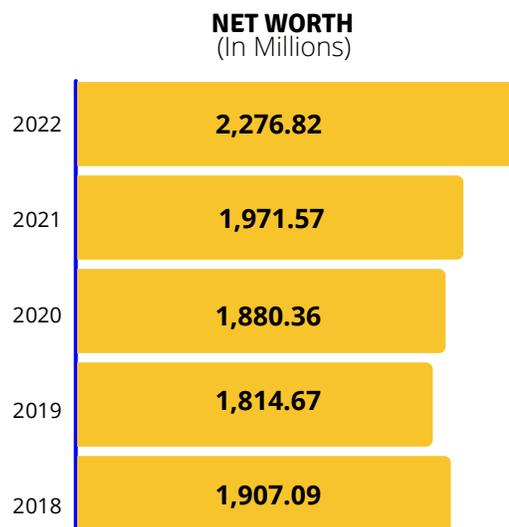
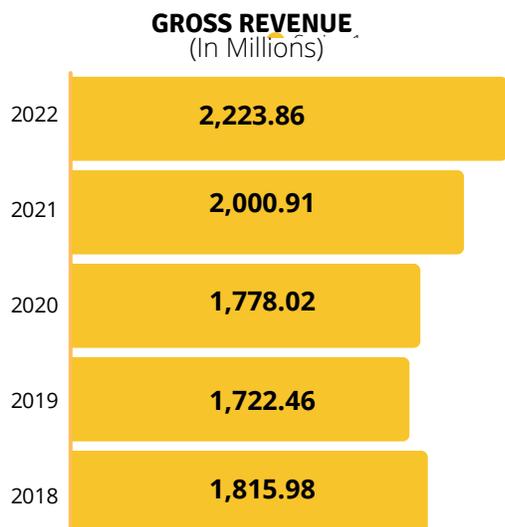
Php 1.152
Billion

Key Financial Summary

	Year 2022		Year 2021		Year 2020		Year 2019		Year 2018	
Assets	3,952.35	100.00%	3,677.43	100.00%	3,545.32	100.00%	3,232.71	100.00%	3,321.71	100.00%
Cash	1,300.11	32.89%	1,067.14	29.02%	1,035.70	29.21%	851.21	26.33%	1,167.22	35.14%
Investments	1,889.80	47.81%	2,048.21	55.70%	2,026.21	57.15%	1,951.67	60.37%	1,593.46	47.97%
Insurance Receivables	69.83	1.77%	94.32	2.56%	76.06	2.15%	74.71	2.31%	219.01	6.59%
Property & Equipment	364.11	9.21%	121.10	3.29%	120.69	3.40%	109.06	3.37%	86.39	2.60%
Legal/Unearned Premium Reserves	911.41	23.06%	877.26	23.86%	945.44	26.67%	738.18	22.83%	929.62	27.99%
Net Worth	2,276.82	57.61%	1,971.57	53.61%	1,880.36	53.04%	1,814.67	56.13%	1,907.09	57.41%
Net Premium	2,102.19	100.00%	1,914.14	100.00%	1,694.13	100.00%	1,592.54	100.00%	1,719.93	100.00%
Investment/Other Income	76.72	3.65%	66.13	3.45%	80.81	4.77%	129.92	8.16%	96.05	5.58%
Gross Revenue	2,223.86	105.86%	2,000.91	104.53%	1,778.02	104.95%	1,722.46	108.16%	1,815.98	105.58%
Claims	1,152.10	54.80%	1,058.35	55.29%	745.78	44.02%	870.72	54.67%	745.44	43.34%
Policy Reserves	-8.82	-0.42%	-68.18	-3.56%	118.27	6.98%	(79.38)	-4.98%	256.65	14.92%
Collection Costs	629.96	29.97%	583.38	30.48%	550.02	32.47%	539.34	33.87%	546.72	31.79%
Salaries / Benefits	117.94	5.61%	117.69	6.15%	96.11	5.67%	84.20	5.29%	69.80	4.06%
Gen & Admin Expenses	78.69	3.74%	78.77	4.12%	89.27	5.27%	101.15	6.35%	107.47	6.25%
Total Expenses	1,991.20	94.72%	1,770.01	92.47%	1,599.46	94.41%	1,516.13	95.20%	1,726.08	100.36%
Net Income	230.47	10.96%	205.72	10.75%	170.21	10.05%	200.38	12.58%	62.82	3.65%

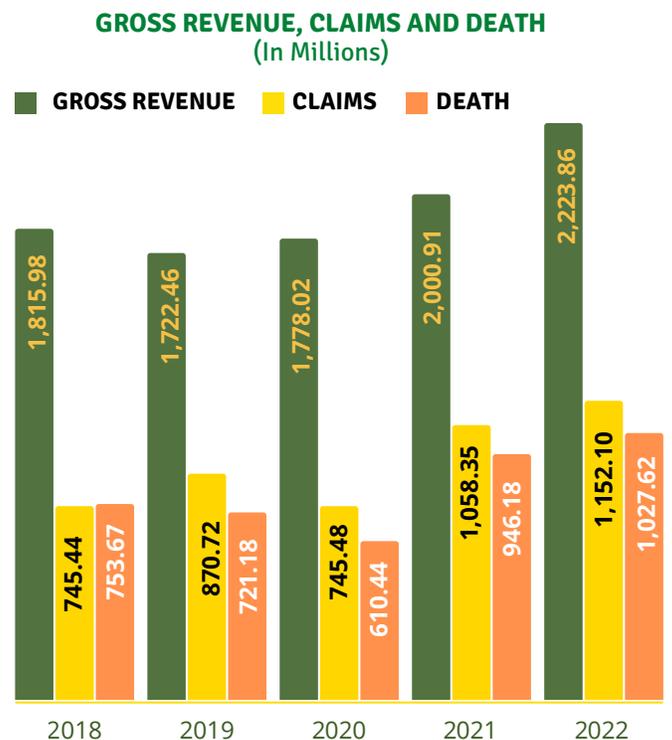
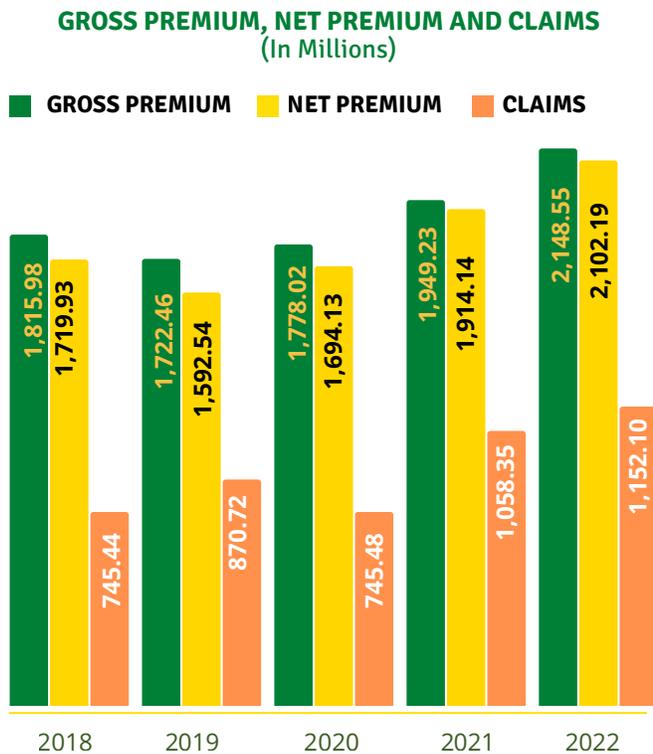
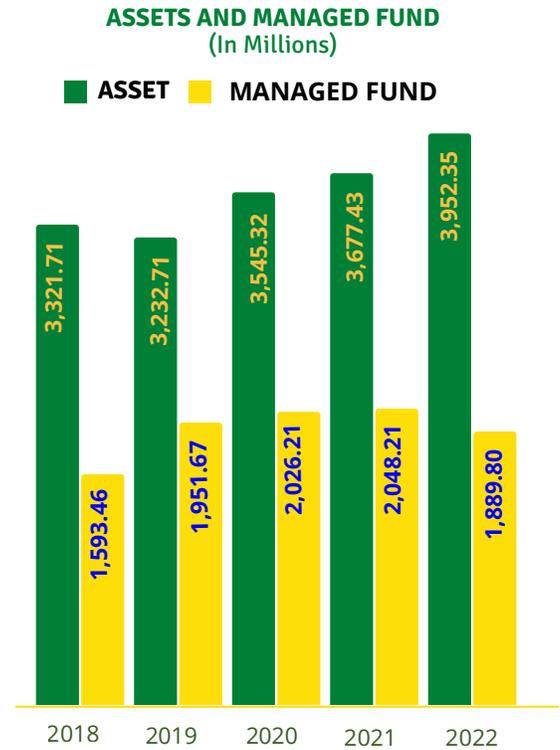
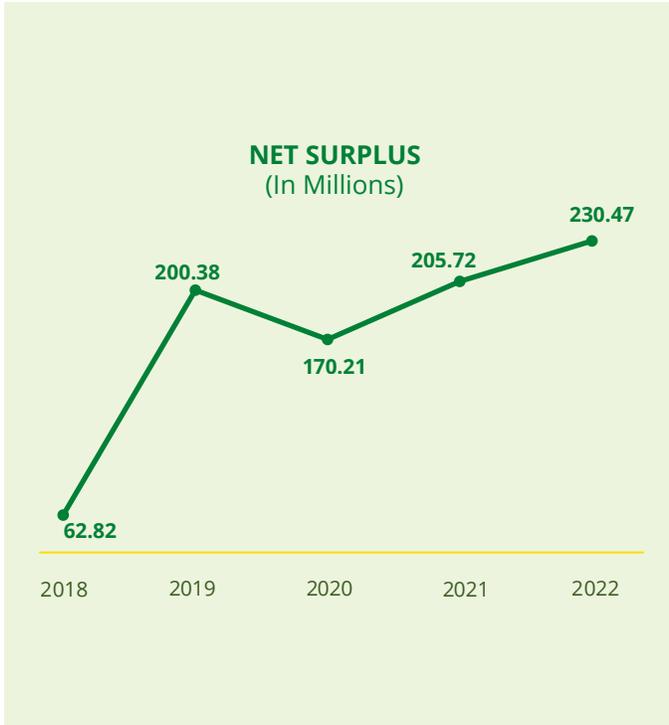
Share Value Information	Year 2022	Year 2021	Year 2020	Year 2019	Year 2018
Number of Common Shares with Par Value of P1,000 per Share	1,690,208	1,545,941	1,446,732	1,436,907	1,556,485
Total Equity - Net Preferred	2,126.50	1,837,574,219.00	1,702,582,172	1,623,586,474	1,742,682,527
Book Value Per Share (BVPS)	1,258	1,188.64	1,176.85	1,130	1,120
Dividend Per Share	72.70	73.40	50.30	60.30	41.40
Dividend Rate	7.27%	7.34%	5.30%	6.30%	4.14%

Key Trends 2021-2022



Key Trends

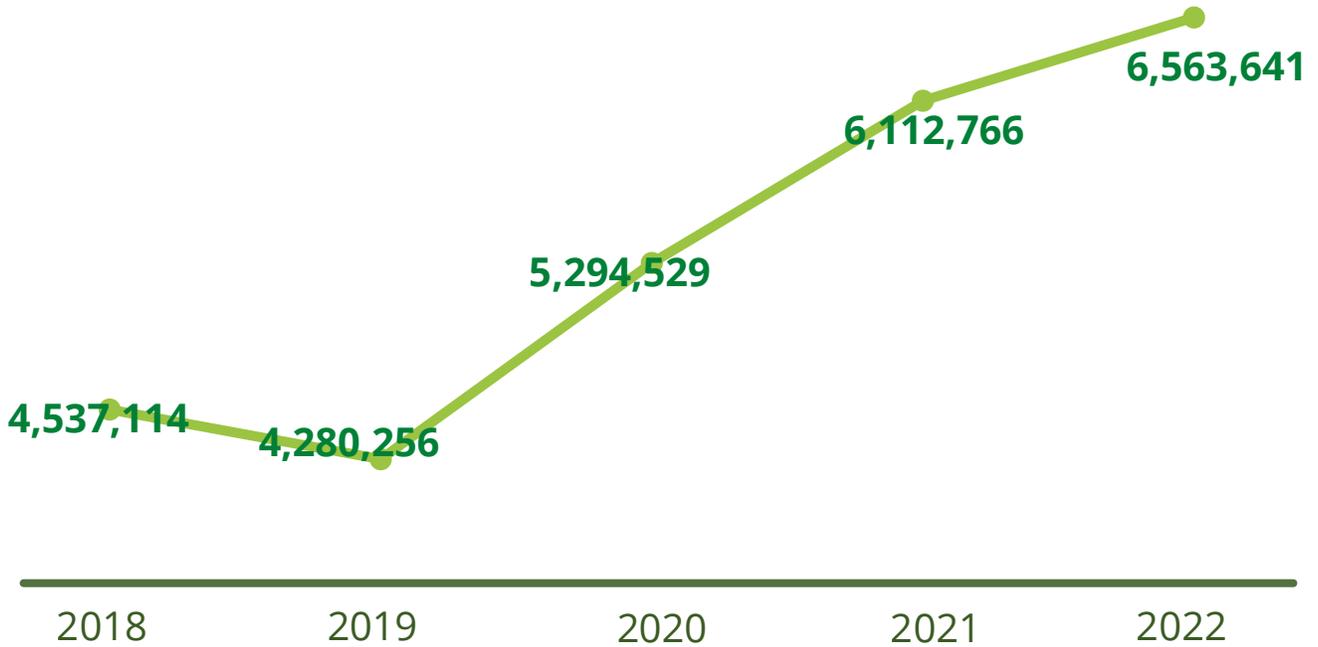
2021-2022



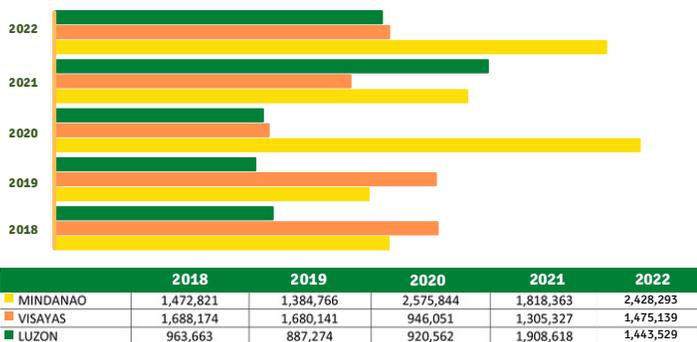
Key Trends

2021-2022

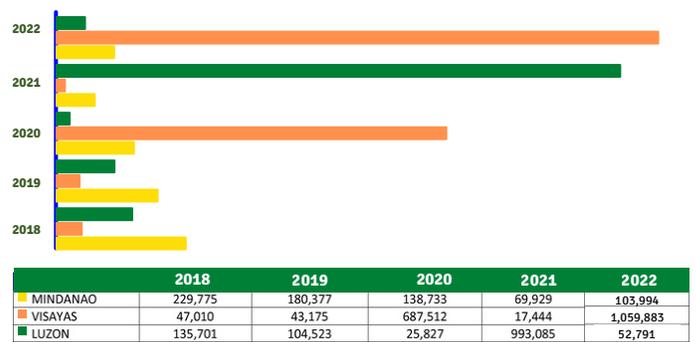
NUMBER OF LIVES INSURED (Life and Non Life)



NUMBER OF INSURED LIVES (Life)



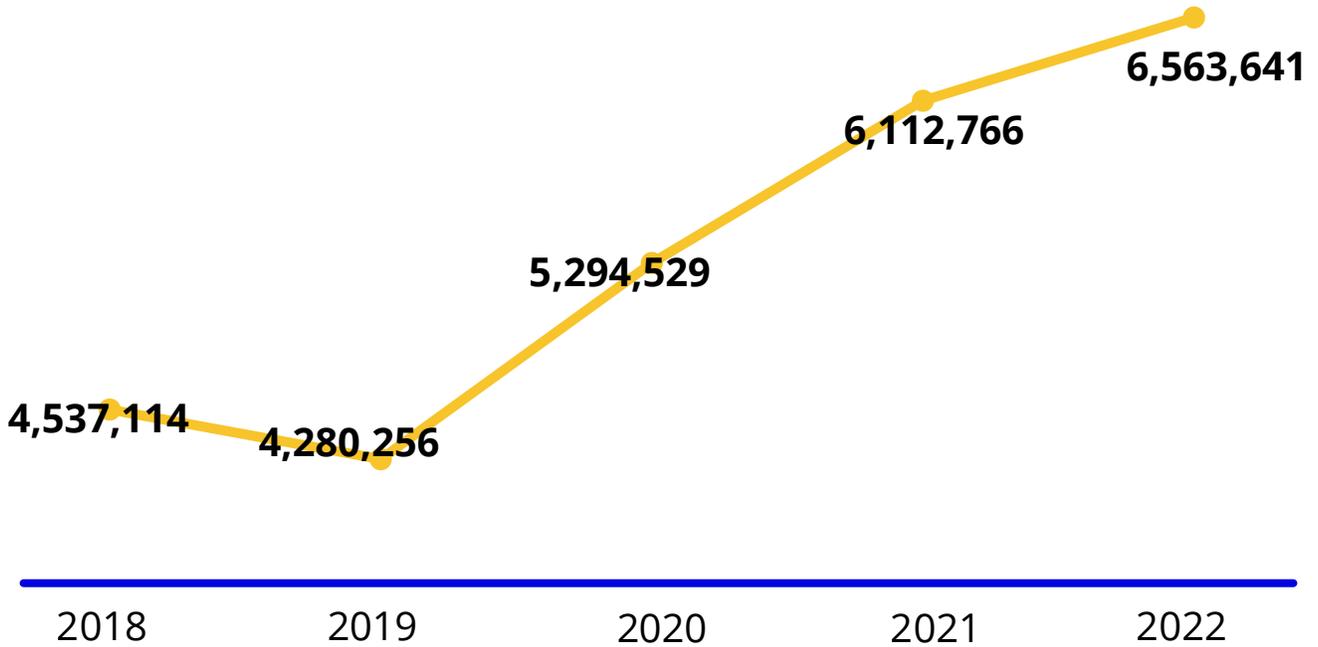
NUMBER OF LIVES INSURED (Non Life)



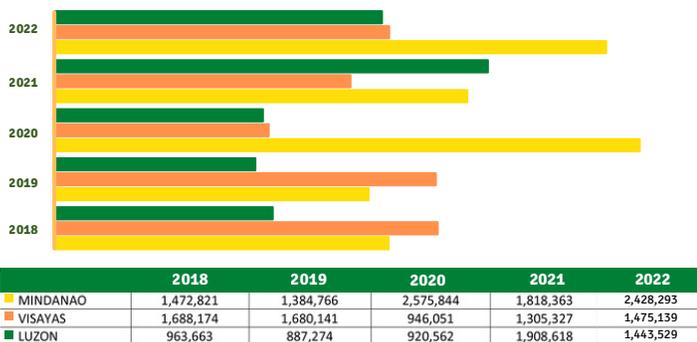
Key Trends

2021-2022

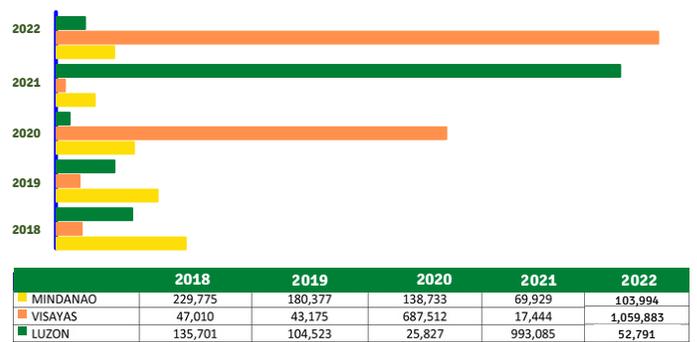
NUMBER OF LIVES INSURED (Life and Non Life)



NUMBER OF INSURED LIVES (Life)



NUMBER OF LIVES INSURED (Non Life)



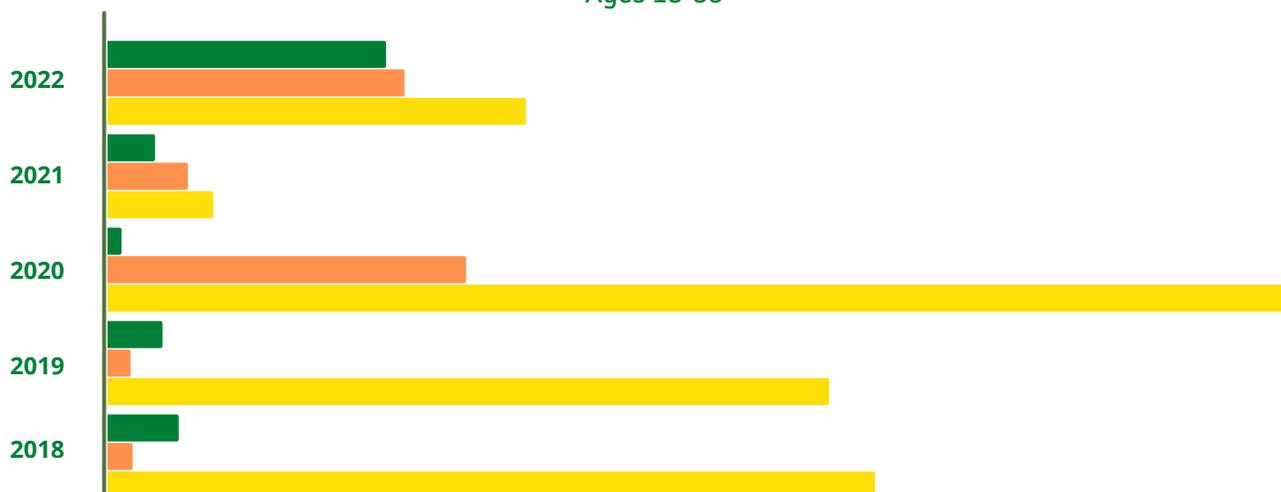
Key Trends

2021-2022

NUMBER OF LIVES INSURED

(Youth)

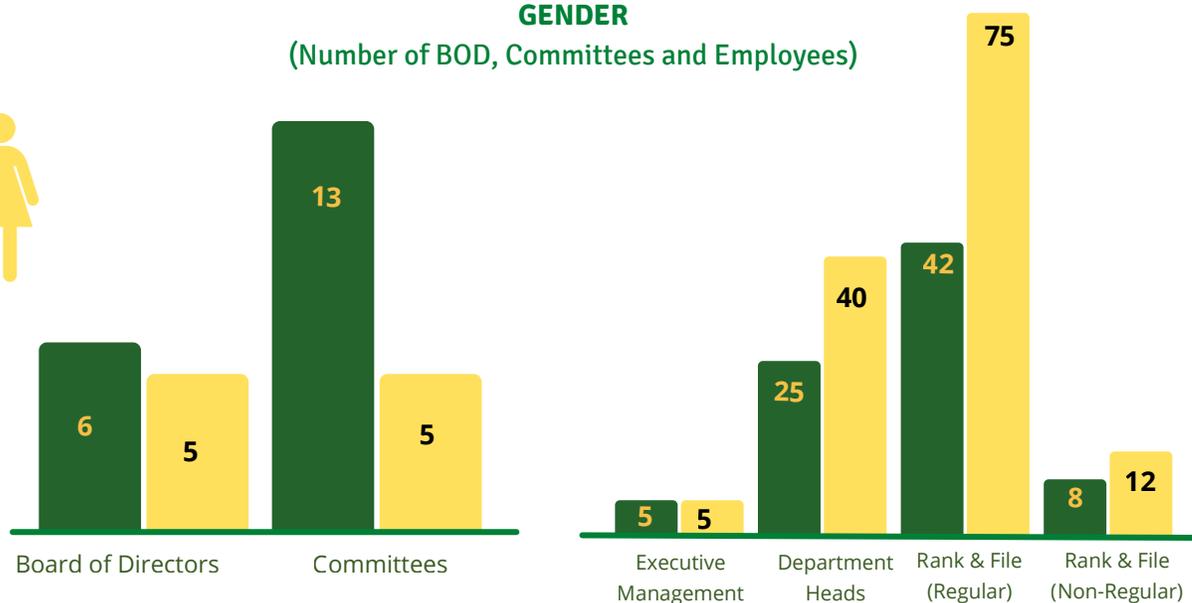
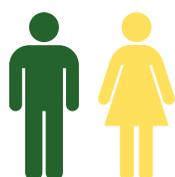
Ages 18-35



	2018	2019	2020	2021	2022
MINDANAO	1,472,821	1,384,766	2,271,931	202,129	802,430
VISAYAS	1,688,174	1,680,141	1,768,508	153,181	569,356
LUZON	963,663	887,274	1,594,593	90,065	533,833

GENDER

(Number of BOD, Committees and Employees)



NUMBER OF LIVES INSURED

(Youth)

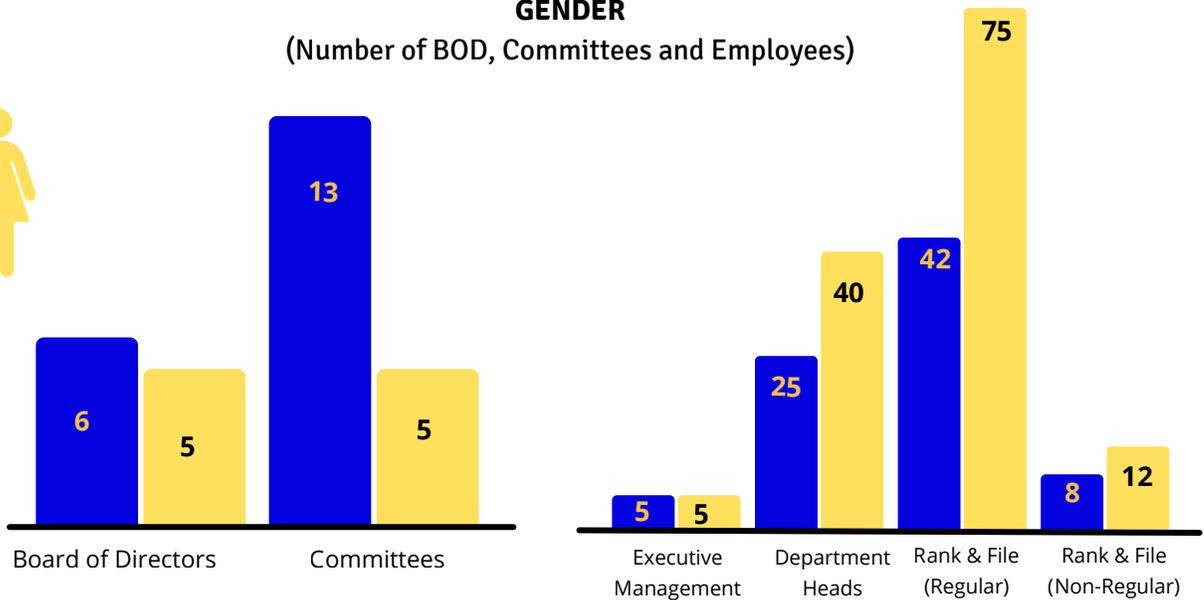
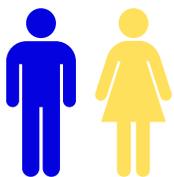
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GENDER

(Number of BOD, Committees and Employees)



The Co-operative College of the Philippines



2022 is not only a year of transition, but of growth too for the education arm of CLIMBS. Ignited with passion for education, the CLIMBS Institute of Management (CIM, formerly CIFL) strategically pivoted to Co-operative College of the Philippines (Co-op College PH) in 2021. Duly registered with the Securities and Exchange Commission (SEC), the College is a legitimate entity supporting its role as the sole training provider of the National Federation of Cooperative Primaries in the Philippines (NaFeCOOP). Together, both works collaboratively in supporting cooperatives in providing high-quality, continuous cooperative education at par with global standards.

Highlights for year 2022:

In June 16, 2022 - First Strategic Planning Session for the Co-operative College was conducted in Cagayan de Oro City facilitated by Consultant Dr. Juan Romeo Nereus "Neric" Acosta.



Historic Signing of Agreement between the Co-operative College (UK), CLIMBS Life and General Insurance Cooperative, and the Co-operative College of the Philippines took place in Silken Al-Andalus Palace, Sevilla, Spain; a side-event to the "Cooperatives: the time is now!" International Cooperative Alliance (ICA) General Assembly. This partnership aims to further the cooperative education worldwide and embody the Cooperative Values and Principles. The main signatories of the partnership agreement were: CLIMBS President and CEO – Mr. Noel Raboy and the Co-operative College UK CEO and Principal – Mr. Neil Calvert. Signing as witnesses to the ceremony were: Confederación Cooperativa (Cooperar) and International Cooperative Alliance (ICA) President – Dr. Ariel Guarco, International Co-operative Alliance (ICA) Asia/Pacific Regional Director – Mr. Balasubramanian "Balu" Iyer, Federación Andaluza de Empresas Cooperativas de Trabajo (FAECTA) y Confederación Española de Cooperativas de Trabajo (COCETA) President – Mr. Luis Miguel Jurado, CLIMBS BOD Chairperson – Rev. Fr. Elmo Manching, and CLIMBS Vice President for Admin and Corporate Planning and concurrently the Cooperative College of the Philippines CEO and Principal – Ms. Donna Marie Michelle Dizon. Also, in attendance during this momentous event were: CLIMBS BOD Vice Chairperson – Ret. Judge Antonio Manuel Alcantara, CLIMBS Directors – Atty. Daniel Evangelio Jr. (Toril Community Cooperative), Ms. Sarah Agner (PHCCI-MPC Tacloban), Ms. Marlene Sindayen (Novaliches Development Cooperative / NOVADECI), & Ms. Lillian Silubrico CPA (Holy Cross Savings and Credit Cooperative), Coop Life General Insurance & Financial Services Agency (CLIFSA) CEO – Mr. Henry Lopez, CLIMBS Vice President for Marketing – Ms. Rowena Abella, PHCCI - Dumaguete CEO – Mr. Cliffordson Lariosa, Metro Ormoc Community Multi-Purpose Cooperative (OCCCI) BOD Vice Chairperson – Sister Erlinda Lanigao, OCCCI Chief Finance Officer – Mr. Arvin Villena, and OCCCI Chief operations Officer – Ms. Mizpah Aira Taala.

June 19, 2022

The Co-operative College of the Philippines



CO-OPERATIVE COLLEGE OF THE PHILIPPINES

First Board of Trustees Meeting for the Cooperative College of the Philippines took place in Cebu City, Philippines.
July 7, 2022



First Board of Trustees Meeting



Second Strategic Session for the Co-operative College was conducted in Cagayan de Oro City facilitated by Consultant Dr. Juan Romeo Nereus "Neric" Acosta.
August 11, 2022

Co-op College PH conducted the first Coop Climate Summit and Economic Forum in collaboration with CLIMBS Life and General Insurance Cooperative. This aims to further raise awareness of climate change and sustainability. Held in the Philippine International Convention Center (PICC), this event was attended by 200+ delegates from 86 cooperatives nationwide.
November 23, 2022



The Co-operative College of the Philippines



Originally scheduled in October 2022 to celebrate our Cooperative month in the very birthplace of the modern cooperative movement which is adapted globally, including the Philippines, but due to unforeseen circumstances, this program was moved to 1st Quarter of 2023. Together with 48 delegates coming from 17 co-operatives nationwide, this leadership program focused on our Co-operative Values and Principles which has been designed to explore and expand the participants' co-operative knowledge. This was delivered through a mix of cultural activities, live workshops, expert presentations and co-operative tours, to further assist in reflecting and building co-operative skills, knowledge, and working practices.

Jan. 30 – Feb. 5, 2023



As we realign with the Cooperative Development Authority mandate (R.A. 2019-08), Co-op College PH aids its affiliate NaFeCoop in its campaigns for CETF collection and implementation of learning programs. As we gradually transitions to a hybrid set-up in terms of program delivery this year, our Virtual learning sessions totalled to 7 and face-to-face sessions totalled to 3 with 961 participants, 351 Male and 610 Female coming from 347 cooperatives nationwide.

2022 TRAININGS



7 VIRTUAL LEARNING SESSION



3 FACE-TO-FACE LEARNING SESSION



347 COOPERATIVES



Title	Date	Partner(s)
Business Innovation Planning Workshop 2022	12-Jan-22	Areté Leadership Development Consultancy and Asian Institute of Management (AIM)
Climate Action: Social Protection Within Reach for Filipinos in Grassroots Communities — A National Microinsurance Awareness Session	28-Jan-22	The Cooperative College of the Philippines, Micro Insurance (Insurance Commission), Alliance of Bioversity & CIAT, IBISA Network, and the Mindanao Consolidated Cooperative Bank (MCCB)
Virtual Ownership Meeting w/ CIM Partners (Luzon, Visayas, & Mindanao)	24-Feb-22	The Cooperative College of the Philippines
Business Continuity Planning in the New Normal	4 to 22-Mar-22	Center for Humanitarian Learning and Innovation (CHLI)
Celebrating Women in the Cooperatives: Inspiring and Effecting CHANGE through Cooperative Leadership Amidst Crisis	11-Mar-22	The Cooperative College of the Philippines
Strategic Review and Planning : Weather Protect Project	6 to 9-Apr-22	IBISA Network, Alliance of Bioversity International and CIAT (International Center for Tropical Agriculture). Global Parametrics
Global Cooperative Executive Masterclass	26 & 27-May-22	The Co-operative College, UK
Digital Empowerment & Community Engagement Playbook	20 & 27-October-22	Digital Tayo & Facebook from Meta, AHA! Behavioral Design
Coop Climate Summit 2022: Cooperatives for Climate Action & Education	23-Nov-22	The Cooperative College of the Philippines, InsuResilience Solutions Fund (ISF)
Global Cooperative Executive Masterclass (UK)	Jan. 30-Feb 5, 2023	Co-operative College (UK)

The **CoopAssurance Center (CAC)** has been an effective distribution channel of CLIMBS for almost 17 years. This provides additional revenue stream for the primary Cooperatives and help deepen member relationships by offering a more complete suite of financial products to their members.

Why CAC is important?

Here are some reasons why:

- Convenience for members: CAC provides a convenient one-stop-shop for members to purchase a range of financial products, including insurance. Members can benefit from the convenience of buying insurance products alongside their other Cooperative transactions, without the need to visit a separate insurance agent/company.
- Deeper member relationships: Cooperatives can use insurance products to deepen their member relationships by offering a more comprehensive suite of financial products. Members who buy insurance products through their Cooperatives may also be more likely to stay with that Cooperative for their other financial needs.
- Reduced risk for Cooperatives: Insurance products can also help Cooperatives reduce risk by offering protection to members against unforeseen events. For example, if a borrower takes out a loan and then loses their life or becomes ill, insurance can help them continue to make payments on the loan.



99

Total Number of Trainings
(via zoom and face to face)

99

Total Number of Cooperatives
(via zoom and face to face)

1,530

Estimated Total Number of Participants
(via zoom and face to face)

CAC Activities for 2022

CAC Name	Training Name	Training Date	Training Mode
Luzon			
San Dionisio Credit Cooperative (SDCC)	Agents Training	February 19, 2022	Face to Face
Sta. Cruz Savings and Development Cooperative (SACDECO)	Insurtech & Policy Issuance	February 21, 2022	Zoom
Sorosoro Ibaba Development Cooperative (SIDCC)	CAC Training Re-Orientation & Insuretech	March 21-22, 2022	Zoom
Barangka Credit Cooperative (BCC)	CAC Training-Basic Principles of Non-Life	March 24 & 29, 2022	Face to Face
Gubat St. Anthony Cooperative (GSAC)	CAC Training Re-Orientation	April 3-6, 2022	Face to Face
Claveria Grassroots Multi-Purpose Cooperative	Insurtech	April 4, 2022	Zoom
Isabela State University MPC (ISU MPC)	Insurtech	April 12, 2022	Zoom
ACDI MPC	Insurtech	April 13, 2022	Zoom
Luzon CAC's	Insurtech	April 26, 2022	Zoom
Providers MPC	Insurtech	May 30, 2022	Zoom
ACDI MPC	Synchronization of OD & Compre	May 31, 2022	Zoom
Tarlac Sikap Unlad MPC & Meycauayan City Govt MPC	Principles of Insurance and Claims Handling	June 6, 2022	Zoom
ACDI MPC	ACDI Insurtech briefing with IT's	June 7, 2022	Zoom
All Region 3 CAC's	Synchronization of OD & Compre	June 8, 2022	Zoom
Buklod Unlad MPC	CAC Re-orientation & Product Presentation	June 13, 2022	Zoom
Meycauayan City Govt MPC	CAC Orientation & Product Presentation	June 17, 2022	Face to Face
Tarlac Sikap Unlad MPC	CAC Orientation & Product Presentation	June 22, 2022	Face to Face
St. Martin of Tours Credit and Development Cooperative	Underwriting Training	June 24, 2022	Zoom
Barangay Sun Valley MPC	CAC TRAINING	August 5, 2022	Face to Face
Barangay Sun Valley MPC, Sto. Tomas De Villanueva Parish MPC & Baclaran Vendors Development Cooperative	Insurtech	August 19, 2022	Zoom
San Isidro MPC	CAC Concept Presentation	September 27, 2022	Zoom
Sorosoro Ibaba Development Cooperative (SIDCC)	Insuretech Re-orientation	September 29, 2022	Zoom
TABUK MPC	Insurtech	October 3, 2022	Zoom
DA REGION 2 MPC	Insurtech	October 6, 2022	Zoom
San Jose del Monte Savings and Credit Cooperative	CAC Re-orientation & Business Planning	October 13, 2022	Face to Face
Providers MPC	Insurtech	October 24, 2022	Zoom
Sta. Cruz Savings and Development Cooperative (SACDECO)	Basic Principles of Nonlife, Underwriting, Product Orientation (life, nonlife & C&C Products)	October 27, 2022	Face to Face
Region 3 and NCR CAC's	Micro licensing Training	November 16-18, 2022	Face to Face

CAC Name	Training Name	Training Date	Training Mode
Visayas			
CLIMBS Dumaguete	Insurtech Training	January 03, 2022	Zoom
TAYEMCO	Insurtech Training	February 28, 2022	Face to Face
Bohol Diocesan MPC- Main Office Only	Insurtech Training	March 03, 2022	Zoom
Palompon Community Multi-Purpose Cooperative	Insurtech Training	March 14, 2022	Zoom
Bohol Diocesan MPC- Main Office and Branches	Insurtech Training	March 22, 2022	Zoom
All issuing CAC's not using insurtech (AFCCUI, Barbaza MPC, Belison MPC, Bugasong MPC, Zaraga MPC, La Consolacion College Comm. MPC, EPSTEMPCO, CAPGEM, Pandan MPC, DCCCO, Scega MPC, Holy Child MPC, Kangara MPC, PHCCI Tacloban)	Insurtech Briefing with Sir Denber	April 22, 2022	Zoom
Belison MPC	Insurtech Training	May 10, 2022	VC
Barbaza MPC	Insurtech Training	May 18, 2022	Zoom
PHCCI MPC Tacloban	Insurtech Training w/ Sir Denber	May 27, 2022	Zoom
Metro Ormoc Comm. MPC	Product Re-Orientatıon & Business Planning	June 06, 2022	Face to Face
Metro Ormoc Comm. MPC	Product Re-Orientatıon & Business Planning	June 07, 2022	Face to Face
PHCCI MPC Tacloban	Product Re-Orientatıon & Business Planning	June 09, 2022	Face to Face
PHCCI MPC Tacloban	Product Re-Orientatıon & Business Planning	June 10, 2022	Face to Face
Pandan MPC	Insurtech Training	June 11, 2022	Zoom
DCCCO Multi-Purpose Cooperative	Product Re-Orientatıon & Claims Handling	June 20, 2022	Face to Face
Barbaza MPC	Insurtech Q&A w/ Sir Denber & Ms. Coke	July 05, 2022	Zoom
Northern Samar MPC	Insurtech Training	July 29, 2022	Zoom
Holy Child MPC	Insurtech Training	August 2, 2022	Zoom
PHCCI MPC Tacloban	Insurtech Training Issuance of Policy	August 2, 2022	Zoom
Bohol Comm. MPC	Product & Claims Handling Re-Orientatıon	August 26, 2022	Face to Face
Kangara MPC	Insurtech Training	September 7, 2022	Zoom
DCCCO Multi-Purpose Cooperative	Compre & Fire Orientatıon & Computation	September 9, 2022	Face to Face
PHCCI Dumaguete	Life, NL, CAC, Claims Handling Orientatıon & Computation	September 10, 2022	Face to Face
Guadalupe Community MPC	Insurtech Training and Presentatıon to BOD	September 29, 2022	Face to Face
PHCCI Dumaguete	Insurtech Concerns (Q&A)	October 6, 2022	Zoom
SCEGA MPC	Insurtech Training	October 10, 2022	Face to Face
AFCCUI	Insurtech Training	October 26, 2022	Zoom
205th MPC	Insurtech Training	November 4, 2022	Zoom
Cebu Peoples MPC, Cebu Mitsumi MPC, Guadalupe Comm. MPC, Cebu Peoples MPC, Holy Child MPC, AFCCO, Kangara MPC, PHCCI Dumaguete, PHCCI Tacloban, SVDPMPC, Bohol Comm. MPC, Bohol Diocesan MPC, OCCCI, MAVENCO, CEMVEDCO	Micro-Licensing for Life and Non-Life	November 9-11, 2022	Face to Face
Cebu Peoples MPC, Cebu Mitsumi MPC, Guadalupe Comm. MPC, Cebu Peoples MPC, Holy Child MPC, AFCCO, Kangara MPC, PHCCI Dumaguete, PHCCI Tacloban, SVDPMPC, Bohol Comm. MPC, Bohol Diocesan MPC, OCCCI, MAVENCO, CEMVEDCO	Micro-Licensing for Life and Non-Life	November 10, 2022	Face to Face
Cebu Peoples MPC, Cebu Mitsumi MPC, Guadalupe Comm. MPC, Cebu Peoples MPC, Holy Child MPC, AFCCO, Kangara MPC, PHCCI Dumaguete, PHCCI Tacloban, SVDPMPC, Bohol Comm. MPC, Bohol Diocesan MPC, OCCCI, MAVENCO, CEMVEDCO	Micro-Licensing for Life and Non-Life	November 11, 2022	Face to Face
Cebu Peoples MPC	Insurtech Training	November 15, 2022	Face to Face
Holy Child MPC/ ESPTMPCO/ HV Allera	Insurtech Training	November 17, 2022	Zoom
PHCCI MPC Tacloban & Branches	Product Presentatıon	November 22, 2022	Zoom
Metro Ormoc Comm. MPC	Insurtech Training	November 24, 22	Zoom
Guadalupe Community MPC	Business Planning	December 20, 2022	Face to Face
Mindanao			
Davao Branch Office	Insurtech Training	January 14, 2022	Zoom
Toril Community Cooperative	Insurtech Training	January 17, 2022	Zoom
Sta. Catalina Credit Cooperative - Bukidnon Cluster	Product Presentatıon and Claims Handling	January 26, 2022	Zoom
Sta. Catalina Credit Cooperative - North Cluster	Product Presentatıon and Claims Handling	January 27, 2022	Zoom
Sta. Catalina Credit Cooperative - Iloilo Chapter	Product Presentatıon and Claims Handling	January 27, 2022	Zoom
Sta. Catalina Credit Cooperative	Product Orientatıon including OD Premium Computation, Claims Handling & Remittance Report System	March 28, 2022	Zoom
Tagum Cooperative	Orientatıon and Demo on OD & CTPL Synchronizatıon	March 31, 2022	Zoom
Tagum Cooperative	Orientatıon on Compulsory EnhanceAksi Insurance Benefit	April 6, 2022	Zoom
Sta. Ana Multi-Purpose Cooperative	Product Orientatıon on Family Medical Insurance	April 7, 2022	Zoom
Tagum Cooperative	Accredıtation of Sales Agent/Microlicensing	June 6, 2022	Zoom
Tagum Cooperative	Accredıtation of Sales Agent/Microlicensing	June 7, 2022	Zoom
Tagum Cooperative	Non-life Product Orientatıon (FG, MSPR etc.)	June 24, 2022	Zoom
Sta. Cruz Multi-Purpose Cooperative	OD & Fire Product Orientatıon with Computation	July 4, 2022	Zoom
Panabo Multi-Purpose Cooperative	CAC Enhancment Actıvıty	July 15, 2022	Zoom
Sta. Catalina Credit Cooperative	Underwrtıng & Remittance Uploading Training	July 15, 2022	Zoom
RRA Agency	Agents Orientatıon	August 26, 2022	Face to face
Maragusan Growers Multi-Purpose Cooperative	CAC Enhancment Actıvıty	August 31, 2022	Face to face
Sta. Cruz Multi-Purpose Cooperative	Insurtech Training	September 5, 2022	Face to face
Toril Community Cooperative	Insurtech Training	September 6, 2022	Face to face
Madeco Multi-Purpose Cooperative	CAC Product Orientatıon	September 9, 2022	Zoom
BCS Credit Cooperative	WPI Presentatıon	September 14, 2022	Zoom
Kisandal Multi-purpose Cooperative	WPI Presentatıon	September 17, 2022	Zoom
Sta. Cruz Multi-Purpose Cooperative	Claims Handling and Product Orientatıon	September 23, 2022	Face to face
BCS Credit Cooperative	Life Underwrtıng Orientatıon/WPI Presentatıon	September 28, 2022	Face to face
Agdao Multi-purpose Cooperative	Life Underwrtıng Orientatıon	September 29, 2022	Face to face
Sta. Ana Multi-Purpose Cooperative	Life Underwrtıng Orientatıon	September 29, 2022	Face to face
Makilala Multi-Purpose Cooperative	WPI Presentatıon	September 30, 2022	Zoom
Mambajao MPC	Product Orientatıon & Business Planning	January 7, 2022	Face to face
Oro Integrated Cooperative	Business Planning & Insurtech Training		Face to face
SOEMCO	Product Orientatıon	March 19-20, 2022	Face to face
BUPHARCO	Product Orientatıon & Business Planning	March 24-26, 2022	Face to face
CLIFSA	Life & Nonlife Microlicensing Seminar	February 7-10, 2022	Face to face
JOBNET MPC	CAC Orientatıon	September 2, 2022	Face to face
SERVUS	CAC Orientatıon	September 3, 2022	Face to face
DAVAO CACs	LIFE MICROLICENSING TRAINING	August 31, 2022	Zoom

CLIMBS CARES

(Community Action and Response to Emergency Services)



Operation Tabang Bohol

January 2022
Community Service – CLIMBS Life and General Insurance Cooperative through CLIMBS CARES launched “Operation Tabang Bohol – Relief Operation” and delivered food and hygiene kits to devastated areas of Bohol due to Typhoon “Odette” last January 4-7,2022. This activity was in partnership with KVI, CLIFSA, CEC, BDC & HCSCCO.



Adopt a Family Program

January 2022
CLIMBS Life and General Insurance Cooperative through CLIMBS CARES with COCPO, KVI, BFP and other volunteer groups community service “Adopt A Family” Program January 29, 2022 at Brgy. Baikingon, Cagayan de Oro City.



Water Distribution

CLIMBS through CLIMBS CARES distributed a total of 3,037,000 liters of water or approximately 802,283 gallons of water for 13,365 household recipients in Cagayan de Oro and it's neighbor community for the whole year of 2022.



Operation Tuli (Circumcision)

CLIMBS Operation Tuli volunteers successfully circumcized 776 male children in Cagayan de Oro City for year 2022. Special thanks to Kugsan Volunteers and other Medical Mission volunteers who participated in the circumcision.



Home Care for Girls

CLIMBS Life and General Insurance Cooperative thru CLIMBS CARES donated a School Bags and various school supplies to Home Care for Girls at Macanhan, Brgy. Carmen, Cagayan de Oro City. The Home Care for Girls is a facility that takes care of neglected girls from all over the city who have experienced different forms of abuse. The 1st visit to this facility was on July 25, 2022 with our President & CEO, Sir Noel D. Raboy and the rest of the Top Management wherein we donated hygiene kits, sacks of rice, cleaning materials and a stand fan.



Fire Prevention/Fire Brigade

March 2022
CLIMBS Life and General Insurance Cooperative through CLIMBS CARES conducted Fire Prevention Activity on March 18, 2022 at CLIMBS Head Office in celebration of the Fire Prevention Month with the Bureau of Fire Protection Bulua Fire Station 7 headed by their station commander, SF04 Aldrin Sabellano. This was also participated by the CLIMBS Employees, KVI & other volunteer groups.



Bloodletting Activity

Community Service – CLIMBS Life and General Insurance Cooperative through CLIMBS CARES had a Blood Letting Activity at Brgy. Bulua Gymnasium, Cagayan de Oro City on February 19, 2022 in partnership with Strong Radio 90.3, KVI, PNRC, COCPO, BFP Station 7, Bulua Police Station 7 and other volunteer groups. A total of 30 bags of whole blood were collected and given to our main beneficiary, the Leukemia Patients and Parents Organization (LEUPAPO Inc.)



Coastal Clean-Up

May 21, 2022
CLIMBS Life and General Insurance Cooperative through CLIMBS CARES participated the Coastal Clean-Up Activity with KVI, COCPO & other partners held in the coastal area of Lapanan, (Diversion Road) Cagayan de Oro City.



CLIMBS CARES

(Community Action and Response to Emergency Services)



Printer donation to BFP Station 7

June 16, 2022

Community Service – CLIMBS Life and General Insurance Cooperative through CLIMBS CARES donated a printer to Bureau of Fire Protection Bulua, Station 7. It was received by FO1 John Alfriz M. Sumastre and Fire Station commander SFO4 Chief Aldrin V. Sabellano.



CLIMBS Tree Planting Activity

June 11, 2022

CLIMBS Life and General Insurance Cooperative through CLIMBS CARES facilitated the tree planting activity held in Malasag, Cugman, Cagayan de Oro City, in cooperation with Coop Life General Insurance and Financial Services Agency (CLIFSA), CLIMBS Investment and Advisory Corporation (CIMAC), CLIMBS Share Capital Equity Investment Fund Corporation (CSCEIFC), CLIMBS Insurance and Broker Corporation (CIBC) CLIMBS Printing Press and Publishing, Inc. (CPPPC), CLIMBS Real Estate Development Corporation (CREDC), CLIMBS Institute of Management (CIM), Cosmopolitan CLIMBS Life Plan, Inc. (CCLPI), KUSGAN Volunteers and with special participation of Cagayan de Oro City Police Office.



Coastal Clean-Up Activity

July 2, 2022

CLIMBS Life and General Insurance Cooperative through CLIMBS CARES participated the Coastal Clean-Up Activity with COCPO & other partners held in the coastal area of Lapanan, (Diversion Road) Cagayan de Oro City.



Earthquake Lecture & Drill Activity

August 4, 2022

CLIMBS Life and General Insurance Cooperative through CLIMBS CARES initiated the Earthquake Lecture & Drill Activity conducted by the Office of the Civil Defense – 10 (OCD-10) and Cagayan de Oro Disaster Risk Reduction & Management Office (CDRRMO) at CLIMBS Compound, Bulua, Cagayan de Oro City.



CLIMBS CARES Fire Brigade during grassfire at Camarahan

August 16, 2022

At around 3:30pm, Station 7 Fire Chief, Inspector Aldrin V. Sabellano, requested for assistance due to a grass fire endangering nearby houses that occurred at Camarahan (Pahiron), Brgy. Pagatpat, Cagayan de Oro City. The CLIMBS CARES Fire Brigade immediately responded to the call for assistance, using our very own CLIMBS Fire Truck, the team proceeded to the area. We re-filled the Station 7 Fire Truck with water from our fire truck and helped in extinguishing the grass fire. The CLIMBS CARES Fire Brigade which successfully completed the mandatory 40-hour Fire Brigade training in March & April this year, 2022, is now part of the responders on fire alarms. This is in line with one of our Cooperative Value which is Concern for the Community.



Call for Help

September 8, 2022

CLIMBS Life and General Insurance Cooperative thru CLIMBS CARES answered the call for help and donated bags, papers, notebooks, artpapers, crayons, ballpens & pencils to Mrs. Larigo's daughters, grade 3 & grade 5 students of Indahag Elementary School. The request was made thru Kusgan Volunteers Inc. (KVI) President, Jerson T. Ebal.



CLIMBS CARES

(Community Action and Response to Emergency Services)



Window-Type Aircon donation to COCPO Station 7

September 14, 2022
 CLIMBS Life and General Insurance Cooperative thru CLIMBS CARES donated a slightly used & functioning KOPPEL 1.5HP Window-Type Aircon to the Cagayan de Oro Police Office – Police Station 7 received by their Station Commander Police Major Jerson Boja Estanilla.



15 sacks of 25-kilo rice donation to Persons Deprived of Liberty (PDL)

September 26, 2022
 CLIMBS Life and General Insurance Cooperative thru CLIMBS CARES donated 15 sacks of 25-kilo rice to the Persons Deprived of Liberty (PDL) of the Provincial Jail of Misamis Oriental which was received by the Provincial Jail Warden.



Food Packs donation to COCPO Station 7

October 18, 2022
 CLIMBS Life and General Insurance Cooperative thru CLIMBS CARES donated Food Packs (rice, noodles & sardines) to the Cagayan de Oro Police Office – Police Station 7 received by one of their Police Officers on duty.



Cooperative Month Medical Mission

October 26, 2022
 CLIMBS Life and General Insurance Cooperative represented by CLIMBS CARES joined one of the highlight activities during the celebration of the Coop Month, participated by various Cooperatives in Region 10, which is the Medical Vision held at Brgy. Lingating, Baungon, Bukidnon.



All Saint's Day Operation Monitoring

November 1, 2022
 CLIMBS Life and General Insurance Cooperative thru CLIMBS CARES joined the All Saints Day Operation, monitoring, visiting, & feeding of arroz caldo to other volunteers at different cemeteries in Cagayan de Oro City.



Construction Materials donation to West City Central School

November 22, 2022
 CLIMBS Life and General Insurance Cooperative thru CLIMBS CARES donated various construction materials for the comfort room of elementary students at West City Central School, Ilaya, Brgy. Carmen, Cagayan de Oro City



Luwasa na Pasko

December 12, 2022
 CLIMBS Life and General Insurance Cooperative thru CLIMBS CARES joined the motorcade launching activity with CLIMBS Firetruck for the "Luwasa na Pasko" with partners KVI, COCPO, BFP & other partner volunteers starting from Brgy. Iponan going to Rotunda, Cagayan de Oro City.



External Audit Report

(Statement of Management Responsibility For Financial Statements)



**CLIMBS Life and General
Insurance Cooperative**



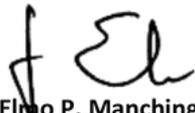
STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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, 2022 and 2021. The financial statements have been prepared in conformity with Philippine Financial Reporting Framework for Cooperatives as prescribed by Memorandum Circular No. 2022-25 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
Chairperson


Noel D. Raboy, MBA Ex
President and CEO


Reynaldo G. San Andres, CPA
VP & Chief Financial Officer

Signed this 15th day of March 2023.

External Audit Report

(Independent Auditor's Report)



BOA/PRC Accreditation No. 4782
August 16, 2021, valid until April 13, 2024
CDA CEA Accreditation No. 0025-AF
April 6, 2020, valid until April 5, 2023
SEC Accreditation No. 4782 SEC Group A
Issued August 11, 2022
Valid for Financial Periods 2021 to 2025

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J.P. Laurel Avenue
Davao City 8000 Philippines
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INDEPENDENT AUDITORS' REPORT

The Members and the Board of Directors
CLIMBS Life and General Insurance Cooperative (CLIMBS)

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, 2022 and 2021, and the statements of operations, statements of changes in equity, statutory reserves and donations and grants, and statements of cash flows for the years then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Cooperative as at December 31, 2022 and 2021, 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. 2022-25 of the Cooperative Development Authority.

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 years ended December 31, 2022 and 2021, but does not include the financial statements and our auditors' report thereon.

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.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.



External Audit Report

(Independent Auditor's Report)

- 2 -

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.

External Audit Report

(Independent Auditor's Report)

- 3 -

- 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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. 87322-SEC Group A

Issued April 20, 2022

Valid for Financial Periods 2021 to 2025

BIR Accreditation No. 19-005765-001-2022

Valid until December 13, 2025

PTR No. 7928742

Issued January 3, 2023, Davao City

March 15, 2023

Davao City

External Audit Report

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

		December 31	
	Note	2022	2021
ASSETS			
Current Assets			
Cash	6	₱802,281,096	₱679,469,563
Short-term placements	7	497,832,082	387,669,992
Insurance receivables	8	69,830,491	94,315,964
Financial assets at fair value through profit or loss (FVPL)	9	68,961,119	73,612,014
Financial assets at cost - current	9	264,651,886	396,993,005
Accounts and other receivables	10	161,057,933	95,606,921
Prepayments		1,342,094	418,587
Total Current Assets		1,865,956,701	1,728,086,046
Noncurrent Assets			
Financial assets at amortized cost	9	1,397,267,277	1,381,842,439
Financial assets at cost - noncurrent	9	158,923,588	195,765,741
Property and equipment	11	364,108,803	121,099,306
Investment property	12	146,790,122	148,678,531
Pension assets	17	10,720,648	-
Other noncurrent assets	13	8,579,440	101,956,557
Total Noncurrent Assets		2,086,389,878	1,949,342,574
TOTAL ASSETS		₱3,952,346,579	₱3,677,428,620
LIABILITIES AND EQUITY			
Current Liabilities			
Insurance contract liabilities	14	₱1,323,409,645	₱1,304,523,649
Due to reinsurers	15	16,076,908	14,354,966
Interest on share capital payable	20	112,931,605	100,800,888
Patronage refund payable	20	48,399,260	43,200,381
Accounts and other payables	16	170,316,934	226,075,589
Total Current Liabilities		1,671,134,352	1,688,955,473
Noncurrent Liabilities			
Retirement benefits liability	17	-	13,898,633
Other noncurrent liabilities	18	4,395,494	3,002,997
Total Noncurrent Liabilities		4,395,494	16,901,630
Total Liabilities		1,675,529,846	1,705,857,103
Equity			
Members' equity		1,828,322,925	1,674,846,973
Deposits for future share capital subscription		5,051,856	5,092,149
Statutory funds:	20		
Reserve fund		177,908,650	154,861,384
Cooperative education and training fund		11,523,633	17,211,932
Community development fund		10,446,636	8,029,254
Optional fund		127,662,911	111,529,825
Revaluation surplus	11	115,900,122	-
Total Equity		2,276,816,733	1,971,571,517
TOTAL LIABILITIES AND EQUITY		₱3,952,346,579	₱3,677,428,620

See accompanying Notes to Financial Statements.

External Audit Report

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

	Note	Years Ended December 31	
		2022	2021
REVENUE			
Gross premiums earned on insurance contracts	21	₱2,148,549,902	₱1,949,234,001
Reinsurers' share of gross premiums earned on insurance contracts	21	(46,361,431)	(34,819,640)
Net insurance premiums		2,102,188,471	1,914,414,361
Income/interest from investments/deposits	6	76,723,523	66,133,005
Commissions and other underwriting income		44,944,480	20,367,004
		2,223,856,474	2,000,914,370
BENEFITS, CLAIMS AND EXPENSES			
Benefits and claims incurred on insurance contracts	22	1,152,096,651	1,058,350,068
Collection costs	23	629,958,869	583,381,549
Salaries and benefits	24	117,944,785	117,691,825
General and administrative expenses	25	78,690,906	56,248,176
Depreciation and amortization	11	21,335,580	22,518,184
Decrease in insurance contract liabilities		(8,824,054)	(68,180,481)
		1,991,202,737	1,770,009,321
OTHER EXPENSES - Net	26	2,181,074	25,188,950
NET SURPLUS		₱230,472,663	₱205,716,099
DISTRIBUTION OF NET SURPLUS			
Statutory funds:	20		
Reserve fund		₱23,047,266	₱20,571,610
Cooperative education and training fund		23,047,266	20,571,610
Community development fund		6,914,180	6,171,483
Optional fund		16,133,086	14,400,127
Interest on share capital and patronage refund		161,330,865	144,001,269
		₱230,472,663	₱205,716,099

See accompanying Notes to Financial Statements.

External Audit Report

CLIMBS LIFE AND GENERAL INSURANCE COOPERATIVE (CLIMBS)
STATEMENTS OF CHANGES IN EQUITY, STATUTORY RESERVES
AND DONATIONS AND GRANTS

Years Ended December 31					
	Note	Number of Shares			
		2022	2021	2022	2021
MEMBERS' EQUITY					
Common share capital -					
₱1,000 par value					
Authorized		2,500,000	2,500,000		
Subscribed					
Balance at beginning of year		1,533,056	1,443,041	₱1,533,056,000	₱1,443,041,000
Additions		269,913	235,117	269,913,000	235,117,000
Withdrawals		(112,761)	(145,102)	(112,761,000)	(145,102,000)
Balance at end of year		1,690,208	1,533,056	1,690,208,000	1,533,056,000
Subscriptions receivable					
Balance at beginning of year				(12,174,206)	(18,690,119)
Additions				(269,913,000)	(235,117,000)
Collections				269,881,324	241,632,045
Withdrawals				3,968	868
Balance at end of year				(12,201,914)	(12,174,206)
				1,678,006,086	1,520,881,794
Preferred share capital -					
₱1,000 par value					
Authorized		500,000	500,000		
Subscribed					
Balance at beginning of year		154,984	250,337	154,984,000	250,337,000
Additions		17,915	49,960	17,915,000	49,960,000
Withdrawals		(18,630)	(145,313)	(18,630,000)	(145,313,000)
Balance at end of year		154,269	154,984	154,269,000	154,984,000
Subscriptions receivable					
Balance at beginning of year				(1,018,821)	(54,729,345)
Additions				(17,915,000)	(49,960,000)
Collections				14,950,695	103,620,938
Withdrawals				30,965	49,586
Balance at end of year				(3,952,161)	(1,018,821)
				150,316,839	153,965,179
				1,828,322,925	1,674,846,973

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		Years Ended December 31	
	Note	2022	2021
DEPOSITS FOR FUTURE SHARE CAPITAL SUBSCRIPTION			
Balance at beginning of year		P5,092,149	P4,551,813
Additions		674,658	1,080,672
Transfers to share capital		(714,951)	(540,336)
Balance at end of year		5,051,856	5,092,149
STATUTORY FUNDS			
	20		
Reserve Fund			
Balance at beginning of year		154,861,384	134,289,774
Allocation from net surplus		23,047,266	20,571,610
Balance at the end of year		177,908,650	154,861,384
Cooperative Education and Training Fund			
Balance at beginning of year		17,211,932	15,088,705
Allocation from net surplus		23,047,266	20,571,610
Payable to federation		(11,523,633)	(10,285,805)
Utilization		(17,211,932)	(8,162,578)
Balance at end of year		11,523,633	17,211,932
Community Development Fund			
Balance at beginning of year		8,029,254	9,341,507
Allocation from net surplus		6,914,180	6,171,483
Utilization		(4,496,798)	(7,483,736)
Balance at end of year		10,446,636	8,029,254
Optional Fund			
Balance at beginning of year		111,529,825	97,129,698
Allocation from net surplus		16,133,086	14,400,127
Balance at end of year		127,662,911	111,529,825
		327,541,830	291,632,395
REVALUATION SURPLUS			
	11	115,900,122	-
		P2,276,816,733	P1,971,571,517

See accompanying Notes to Financial Statements.

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CLIMBS LIFE AND GENERAL INSURANCE COOPERATIVE (CLIMBS)

STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus		₱230,472,663	₱205,716,099
Adjustments for:			
Depreciation and amortization	11	21,335,580	22,518,184
Provision for probable losses on accounts receivable	10	15,053,993	–
Provision for impairment of financial assets at cost	9	12,641,692	45,440,462
Decrease in insurance contract liabilities	14	(8,824,054)	(68,180,481)
Loss (gain) on changes in fair values of financial assets at FVPL	9	8,550,895	(2,343,720)
Remeasurement gain on retirement benefits liability	17	(8,279,429)	(10,122,121)
Retirement benefits cost	17	3,950,875	5,187,005
Gain on withdrawal of financial assets at cost	26	(2,837,557)	–
Gain on disposal of property and equipment	26	(320,489)	(37,200)
Provision for probable losses on insurance receivables	8	–	2,166,355
Operating surplus before working capital changes		271,744,169	200,344,583
Decrease (increase) in:			
Short-term placements		(110,162,090)	125,737,068
Accounts and other receivables		(36,755,005)	(29,322,744)
Insurance receivables		24,485,473	(20,426,795)
Prepayments		(923,507)	650,126
Reinsurance assets		–	14,255,828
Increase (decrease) in:			
Accounts and other payables		(67,282,288)	57,019,366
Insurance contract liabilities		27,710,050	22,242,429
Due to reinsurers		1,721,942	(1,005,436)
Net cash generated from operations		110,538,744	369,494,425
Contributions to plan assets	17	(15,000,000)	–
Retirement benefits paid from operating funds	17	(5,290,727)	(583,668)
Net cash flows from operating activities		90,248,017	368,910,757
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in financial assets at:			
FVPL		(3,900,000)	170,000
Amortized cost		(15,424,838)	(52,358,459)
Cost		115,629,137	(12,905,882)
Acquisitions of property and equipment	11	(55,236,298)	(15,564,849)
Proceeds from disposal of property and equipment		2,926,826	37,200
Additions to computerization cost	13	(637,066)	(3,231,536)
Decrease (increase) in other noncurrent assets		87,598	(49,723,224)
Net cash flows from (used in) investing activities		43,445,359	(133,576,750)

(Forward)

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	Note	Years Ended December 31	
		2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES			
Collections of members' share capital		₱183,791,059	₱226,646,890
Withdrawals of members' share capital		(131,356,067)	(290,364,546)
Payments of dividend and patronage refund	20	(43,000,602)	–
Utilization of statutory funds	20	(21,708,730)	(15,646,314)
Increase in other noncurrent liabilities		1,392,497	1,203,145
Net cash flows used in financing activities		(10,881,843)	(78,160,825)
NET INCREASE IN CASH		122,811,533	157,173,182
CASH AT BEGINNING OF YEAR		679,469,563	522,296,381
CASH AT END OF YEAR		₱802,281,096	₱679,469,563
NONCASH FINANCIAL INFORMATION			
Conversion of dividend and patronage refund to share capital	19, 20	₱101,000,667	₱119,146,430
Additions to property and equipment:	11		
Revaluation surplus on land		115,900,122	–
Transfers from advances for property acquisition		90,000,000	–
Reclassification from investments at cost to accounts and other receivables	9, 27	43,750,000	–
Transfers of deposits for future share capital subscription to share capital		714,951	537,306
COMPONENTS OF CASH			
	6		
Cash in banks		₱442,298,140	₱414,116,382
Cash in other cooperatives		357,741,747	263,102,126
Working funds		2,241,209	2,251,055
		₱802,281,096	₱679,469,563

See accompanying Notes to Financial Statements.

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CLIMBS LIFE AND GENERAL INSURANCE COOPERATIVE (CLIMBS)

NOTES TO FINANCIAL STATEMENTS

AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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.

The Cooperative underwrites 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.

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

On November 3, 2022, the Cooperative was granted by the CDA a Certificate of Compliance (COC) under COC No. 0-2022-4427 which is valid until April 30, 2023.

The financial statements as at and for the years ended December 31, 2022 and 2021 were authorized for issuance by the Board of Directors (BOD) on March 15, 2023.

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 28, 2022, the Bureau of Internal Revenue (BIR) granted the Cooperative a Certificate of Tax Exemption (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 FVPL, land and plan assets, which are carried at fair value and retirement benefits liability 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.

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Statement of Compliance

The financial statements have been prepared in compliance with the Philippine Financial Reporting Framework for Cooperatives (PFRF for Cooperatives) as prescribed and amended by MC No. 2022-25 of the CDA issued on September 5, 2022. The PFRF for Cooperatives was developed from the Philippine Financial Reporting Standard for Small and Medium-sized Entities. Modifications were made to several provisions of the standard taking into consideration cooperative laws, rules, regulations and principles.

Adoption of Amended PFRF for Cooperatives

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments:

Effective for annual periods beginning on or after January 1, 2022:

- Amendments to Chapter III, Financial Statements Presentation, Section 9, Complete Set of Financial Statements - The amendments replaced the Statement of Changes in Equity for the reporting period with the Statement of Changes in Equity, Statutory Reserves and Donations and Grants for the reporting period as part of a complete set of financial statements.
- Amendments to Chapter IV, Statement of Financial Condition, Section 1, Scope - The amendments included the following: (x) Net unrealized gain or loss on investments, (y) Restricted capital for surety and (z) Fund balance as part of the minimum line items in the statement of financial condition.
- Amendments to Chapter X, Financial Instruments, Section 5, Subsequent Measurement - The amendments replaced item (b) Investments in publicly-traded securities shall be measured at fair value with changes in fair value recognized in profit or loss with item (c) Financial Assets invested in publicly-traded securities with quoted price in the form of debt or equity securities that are held for trading purposes shall be measured at fair value with changes in fair value recognized in profit or loss and (d) Financial Assets invested in publicly-traded securities with quoted price in the form of debt or equity securities not intended to be disposed within 12-month period shall be measured at fair value with changes in fair value recognized in equity.

The adoption of the amended PFRF for Cooperatives did not have any material effect on the financial statements of the Cooperative. Additional disclosures have been included in the notes to financial statements, as applicable.

Revised Standard Chart of Accounts for Cooperatives

CDA MC No. 2022-24, which was issued on September 5, 2022, prescribes the use of the Revised Standard Chart of Accounts (RSCA) for Cooperatives in conformity with the amended PFRF for Cooperatives. The RSCA 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.

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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 which are measured at face value.

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, 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.

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.

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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,

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- 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.

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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 cost on 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;

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- 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. Land is carried at revalued amount which represents fair value as at December 31, 2022 as determined by an independent appraiser. Any revaluation surplus on land is recognized in "Revaluation surplus" account under equity section of the statement of financial condition. 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:

<u>Asset Type</u>	<u>Number of Years</u>
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 cost on 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.

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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.

Computerization Cost

Computerization cost is measured at cost on 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.

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.

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,

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- 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 is 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.

Deposits for future share capital subscription. Deposits for future share capital subscription pertain to subscriptions received by the Cooperative which are below the minimum paid-up capital.

Statutory funds. Statutory funds are composed of reserve fund, cooperative education and training fund (CETF), 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.

Revaluation surplus. Revaluation surplus pertains to the appraisal increase in the revaluation of land which are allowed subject to the guidelines issued by the CDA.

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

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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 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

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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 benefits liability 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.

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 (GA) may decrease the amount allocated to reserve fund when such fund exceeds the share capital.
- *CETF*
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 CETF 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.

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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 Reporting Date

Post year-end events that provide additional information about the Cooperative's financial condition at the reporting date (adjusting events) are reflected in the financial statements. Events after the reporting date 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.

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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 11 and 12, 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 15, 2023, the Cooperative is not involved in any significant legal cases. No provision for probable losses arising from legal contingencies was recognized in 2022 and 2021.

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 loans and 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 details of short-term placements, insurance receivables, accounts and other receivables, and refundable deposits (presented under "Other noncurrent assets") are disclosed in Notes 7, 8, 10 and 13.

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 details of financial assets at cost and amortized cost, including the allowance for impairment loss are disclosed in Note 9.

Determining the Fair Value of Financial Instruments. The Cooperative has assets which are carried at fair value and for which fair values are disclosed. Fair value determinations are based generally on quoted market prices. If market prices are not available, fair value is determined using valuation techniques that make maximum use of marketable observable and unobservable inputs and which the Cooperative determines can best provide a fair value acceptable to market participants.

The details of financial assets at FVPL are disclosed in Note 9. Assumptions and methods in determining the fair values of financial instruments are disclosed in Note 30 to the financial statements.

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Determination of Fair Value of Land. In determining the appraised value of land, the Cooperative hires an independent firm of appraisers. In order to arrive at a reasonable valuation, the appraisers personally inspected the properties, requested information from reputable sources and considered the following: (a) utility and market value of the land; (b) current prices for similar used property in the second hand market; (c) age, condition, past maintenance, and present and prospective serviceability in comparison with new assets of like kind; and (d) recent trend and development in the industry concerned. The approaches used in determining the appraised value of land is disclosed in Note 11 to financial statements.

Fair market value is defined as the highest price in terms of money which a property will bring if exposed for sale in the open market, allowing reasonable time to find a purchaser who buys with knowledge of all the uses to which it is adapted and for which it is capable of being used.

The latest appraisal for land was performed by an independent appraiser on October 21, 2022 and November 11, 2022. The details of the land are disclosed in Note 11.

Estimation of Useful Lives of Property and Equipment (except Land), Investment Property, (except Land not Used in Operations) and Computerization Cost. The Cooperative estimates the useful lives of property and equipment (except land), investment property (except land not used in operations), and computerization (presented under "Other noncurrent assets") 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.

There were no changes in the estimated useful lives of the Cooperative's property and equipment (except land), investment property (except land not used in operations) and computerization cost (presented under "Other noncurrent assets") in 2022 and 2021. The details of property and equipment (except land), investment property (except land not used in operations) and computerization cost (presented under "Other noncurrent assets") are disclosed in Notes 11, 12 and 13.

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,

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- 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.

No impairment loss on prepayments, property and equipment, investment property, advances for property acquisition and computerization cost (both presented under "Other noncurrent assets") was recognized by the Cooperative in 2022 and 2021. The details of prepayments, property and equipment, investment property, advances for property acquisition and computerization cost (both presented under "Other noncurrent assets") are disclosed in Notes 11, 12 and 13.

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 details of legal policy reserves and unearned premium reserves are disclosed in Note 14.

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.

The details of incurred but not reported claims are disclosed in Note 14.

Estimation of Pension Assets/Retirement Benefits 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 17 to financial statements and include, among others, discount rates and salary increase rates.

The details of pension assets/retirement benefits liability are disclosed in Note 17.

Assessment of Contingencies. The Cooperative has recognized provisions arising from various third-party claims. The estimate of the probable costs for the resolution of these claims has been developed based on the management's assessment and analysis of potential results. The Cooperative believes that these claims will not have material effect in its financial condition and results of operations.

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6. Cash

This account consists of:

	2022	2021
Cash in banks	P442,298,140	P414,116,382
Cash in other cooperatives	357,741,747	263,102,126
Working funds	2,241,209	2,251,055
	P802,281,096	P679,469,563

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	2022	2021
Cash		P5,156,084	P5,652,080
Short-term placements	7	7,510,676	4,385,368
Financial assets at FVPL	9	5,086,385	2,014,091
Financial assets at cost	9	7,030,720	401,789
Financial assets at amortized cost	9	51,554,285	53,476,949
Loans receivable	10	385,373	202,728
		P76,723,523	P66,133,005

7. Short-Term Placements

Short-term placements amounting to P497.8 million and P387.7 million as at December 31, 2022 and 2021, 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 1.25% to 5.75% per annum and 0.4% to 5% per annum in 2022 and 2021, respectively.

Interest income amounted to P7.5 million and P4.4 million in 2022 and 2021, respectively (see Note 6).

8. Insurance Receivables

This account consists of:

	2022	2021
Premiums receivable	P91,476,712	P119,861,539
Due from reinsurers	4,810,735	953,870
Automatic contribution loans (ACL) from Mutual Aid Services (MAS) members	664,867	664,867
Policy loans	137,141	94,652
	97,089,455	121,574,928
Less allowance for probable losses	27,258,964	27,258,964
	P69,830,491	P94,315,964

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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 noninterest-bearing and normally collected within a year.

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

Policy loan pertains to loan program which policyholders may avail from their life insurance policy.

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

	Note	2022	2021
Balance at beginning of year		₱27,258,964	₱25,092,609
Provision for probable losses	25	–	2,166,355
Balance at end of year		₱27,258,964	₱27,258,964

9. Financial Assets

This account consists of:

	2022	2021
Current:		
Financial assets at FVPL	₱68,961,119	₱73,612,014
Financial assets at cost	264,651,886	396,993,005
	333,613,005	470,605,019
Noncurrent:		
Financial assets at amortized cost	1,397,267,277	1,381,842,439
Financial assets at cost	158,923,588	195,765,741
	1,556,190,865	1,577,608,180
	₱1,889,803,870	₱2,048,213,199

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	2022	2021
Balance at beginning of year		₱73,612,014	₱71,438,294
Additions		19,600,000	5,000,000
Disposals		(15,700,000)	(5,170,000)
Gain (loss) on changes in fair values	26	(8,550,895)	2,343,720
Balance at end of year		₱68,961,119	₱73,612,014

Dividend income from financial assets at FVPL amounted to ₱5.1 million and ₱2.0 million in 2022 and 2021, respectively (see Note 6).

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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	2022	2021
Current			
Balance at beginning of year		₱442,433,467	₱430,051,629
Additions		–	12,381,838
Withdrawals		(119,699,427)	–
		322,734,040	442,433,467
Less allowance for impairment of financial assets at cost		58,082,154	45,440,462
Balance at end of year		264,651,886	396,993,005
Noncurrent			
Balance at beginning of year		195,765,741	195,241,697
Additions		6,907,847	524,044
Reclassification	27	(43,750,000)	–
Balance at end of year		158,923,588	195,765,741
		₱423,575,474	₱592,758,746

Dividend income from financial assets at cost amounted to ₱7.0 million and ₱0.4 million in 2022 and 2021, respectively (see Note 6).

Gain on withdrawal from financial assets at cost amounted to ₱2.8 million in 2022 (see Note 26).

The changes in the allowance for impairment of financial assets at cost are as follows:

	Note	2022	2021
Balance at beginning of year		₱45,440,462	₱–
Provision for impairment	26	12,641,692	45,440,462
Balance at end of year		₱58,082,154	₱45,440,462

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:

	2022	2021
Balance at beginning of year	₱1,381,842,439	₱1,329,483,980
Additions	68,992,491	234,189,850
Redemptions at maturity	(53,189,367)	(180,547,327)
Amortization of premium - net	(378,286)	(1,284,064)
Balance at end of year	₱1,397,267,277	₱1,381,842,439

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Interest income from financial assets at amortized cost amounted to ₱51.6 million and ₱53.5 million in 2022 and 2021, respectively (see Note 6).

10. Accounts and Other Receivables

This account consists of:

	Note	2022	2021
Accounts receivable:			
Member-cooperatives		₱107,687,774	₱72,212,069
Related parties	27	54,360,343	9,759,529
Loans receivable		13,525,741	13,110,538
Accrued interest receivable		431,879	427,111
Advances to officers and employees		106,189	97,674
		176,111,926	95,606,921
Less allowance for probable losses		15,053,993	–
		₱161,057,933	₱95,606,921

Accounts receivable from member-cooperatives are unsecured, noninterest-bearing and shall be settled within a year. Provision for probable losses of accounts receivable amounted to ₱15.1 million in 2022 (see Note 25).

Accounts receivable from related parties represent cash advances to 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, noninterest-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 2022 and 2021. Interest income on these loans amounted to ₱385,373 and ₱202,728 in 2022 and 2021, respectively (see Note 6).

Accrued interest receivable pertains to interest income earned from short-term placements, financial assets at amortized cost and loans receivable 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.

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11. Property and Equipment

The movements in this account are as follows:

	Note	2022							Total
		Land (at Appraised Value)	Land Improvements	Building and Improvements	Transportation Equipment	Furniture, Fixtures and Office Equipment	Construction in Progress		
Cost									
Balance at beginning of year		P14,822,674	P6,969,009	P104,516,948	P58,439,999	P51,084,124	P11,556,722	P247,389,476	
Additions		25,537,500	-	15,923,804	2,970,125	5,170,580	5,634,289	55,236,298	
Disposals		-	-	(370,166)	(3,637,562)	(478,322)	-	(4,486,050)	
Reclassification from advances for property acquisition	13	46,454,579	-	43,545,421	-	-	-	90,000,000	
Appraisal increase		115,900,122	-	-	-	-	-	115,900,122	
Retirements		-	-	(2,113,130)	(12,698,873)	(14,393,173)	-	(29,205,176)	
Balance at end of year		202,714,875	6,969,009	161,502,877	45,073,689	41,383,209	17,191,011	474,834,670	
Accumulated Depreciation									
Balance at beginning of year		-	6,813,036	37,814,195	36,385,851	45,277,088	-	126,290,170	
Depreciation		-	14,815	7,365,436	6,159,500	1,980,835	-	15,520,586	
Disposals		-	-	(295,479)	(1,105,912)	(478,322)	-	(1,879,713)	
Retirements		-	-	(2,113,130)	(12,698,873)	(14,393,173)	-	(29,205,176)	
Balance at end of year		-	6,827,851	42,771,022	28,740,566	32,386,428	-	110,725,867	
Net Book Value		P202,714,875	P141,158	P118,731,855	P16,333,123	P8,996,781	P17,191,011	P364,108,803	

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	2021						
	Land	Land Improvements	Building and Improvements	Transportation Equipment	Furniture, Fixtures and Office Equipment	Construction in Progress	Total
Cost							
Balance at beginning of year	P14,822,674	P6,803,629	P98,734,620	P55,073,999	P48,805,811	P7,658,299	P231,899,032
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
Depreciation	-	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							
	P14,822,674	P155,973	P66,702,753	P22,054,148	P5,807,036	P11,556,722	P121,099,306

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

	Note	2022	2021
Depreciation:			
Property and equipment		₱15,520,586	₱15,152,940
Investment property	12	1,888,409	2,100,677
Amortization of computerization cost	13	3,926,585	5,264,567
		₱21,335,580	₱22,518,184

The cost of fully depreciated property and equipment still in use amounted to ₱94.5 million and ₱70.1 million as at December 31, 2022 and 2021, respectively.

In 2022, the Cooperative retired fully depreciated property and equipment no longer in use in operation with cost amounting to ₱29.2 million.

Property and equipment with net book value amounting to ₱2.6 million and nil were sold in 2022 and 2021, respectively. Gain on sale amounted to ₱320,489 and ₱37,200 in 2022 and 2021, respectively (see Note 26).

Appraisal of Land

As at December 31, 2022, the Cooperative recognized its land at appraised value as determined by an independent appraiser on October 21, 2022 and November 11, 2022. Appraisal increase amounted to ₱115.9 million in 2022. The fair value of the land was determined using the market data approach. In this approach, the value of the land was based on sales and listing of comparable property registered within the vicinity. The technique on this approach requires the adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator. This was done by adjusting the differences between the subject property and those comparable actual sales and listings. The properties used as bases of comparison are situated within the immediate vicinity of the subject property. The comparison was premised on the factors of location, size and shape of the lot, time element and other factors.

Had the land been carried at cost, the carrying amount would have been ₱86.8 million as at December 31, 2022.

12. Investment Property

The movements in this account are as follows:

	Note	2022			Total
		Land not Used in Operations	Building Held for Rentals	Construction in Progress	
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		–	16,438,430	–	16,438,430
Depreciation	11	–	1,888,409	–	1,888,409
Balance at end of year		–	18,326,839	–	18,326,839
Net Book Value		₱120,020,151	₱26,065,993	₱703,978	₱146,790,122

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	Note	2021			Total
		Land not Used in Operations	Building Held for Rentals	Construction in Progress	
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	11	–	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

Fair value of investment property, excluding construction in progress, amounted to ₱243.0 million as at December 31, 2022 as determined by an independent appraiser.

13. Other Noncurrent Assets

This account consists of:

	2022	2021
Computerization cost	₱6,707,128	₱9,996,647
Refundable deposits	1,872,312	1,959,910
Advances for property acquisition	–	90,000,000
	₱8,579,440	₱101,956,557

Advances for property acquisition are payments made for purchases of property. In 2022, the required documents supporting the transfer of ownership to the Cooperative were settled. Thus, the advances for property acquisition amounting to ₱90.0 million were transferred to property and equipment as at December 31, 2022 (see Note 11).

The details of computerization cost are as follows:

	Note	2022	2021
Cost			
Balance at beginning of year		₱25,996,966	₱22,765,430
Additions		637,066	3,231,536
Balance at end of year		26,634,032	25,996,966
Accumulated Amortization			
Balance at beginning of year		16,000,319	10,735,752
Amortization	11	3,926,585	5,264,567
Balance at end of year		19,926,904	16,000,319
Net Book Value		₱6,707,128	₱9,996,647

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14. Insurance Contract Liabilities

This account consists of:

	2022	2021
Legal policy reserves:		
Life insurance contracts	₱763,878,763	₱790,835,466
MAS plan	3,030,603	4,351,186
Insurance payables:		
Incurred but not reported	226,050,946	154,541,497
Policy and contract claims	169,365,430	236,560,240
Outstanding claims reserve	16,583,149	36,160,353
Unearned premium reserves	144,500,754	82,074,907
	₱1,323,409,645	₱1,304,523,649

Legal policy reserves and other actuarial items in the financial statements as at and for the years ended December 31, 2022 and 2021 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.

Outstanding claims reserve pertains to claims which the Cooperative has already received notice of claim but on which, for one reason or another, final action has not been taken either approving the claims for payment in full or rejecting it in part or in full.

Unearned premiums represents the unearned portion of premium income from nonlife insurance contracts recognized from policies in force as at reporting date.

Details of insurance contract liabilities are as follows:

	2022		Net
	Insurance Contract Liabilities	Reinsurers' Share of Liabilities	
Legal policy reserves:			
Life insurance contracts	₱763,878,763	₱-	₱763,878,763
MAS plan	3,030,603	-	3,030,603
Insurance payables:			
Incurred but not reported	226,050,946	-	226,050,946
Policy and contract claims	169,365,430	-	169,365,430
Outstanding claims reserve	16,583,149	-	16,583,149
Unearned premium reserves	144,500,754	-	144,500,754
	₱1,323,409,645	₱-	₱1,323,409,645

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	2021		Net
	Insurance Contract Liabilities	Reinsurers' Share of Liabilities	
Legal policy reserves:			
Life insurance contracts	₱790,835,466	₱—	₱790,835,466
MAS plan	4,351,186	—	4,351,186
Insurance payables:			
Policy and contract claims	236,560,240	—	236,560,240
Incurred but not reported	154,541,497	—	154,541,497
Outstanding claims reserve	36,160,353	—	36,160,353
Unearned premium reserves	82,074,907	—	82,074,907
	₱1,304,523,649	₱—	₱1,304,523,649

15. Due to Reinsurers

Due to reinsurers represents unpaid premiums for reinsurance policies payable to the reinsurers. These are normally settled in cash within one year.

Due to reinsurers amounted to ₱16.1 million and ₱14.4 million as at December 31, 2022 and 2021, respectively. Reinsurers' share in benefits and claims on insurance contracts amounted to ₱39.8 million and ₱36.6 million in 2022 and 2021, respectively (see Note 22).

16. Accounts and Other Payables

This account consists of:

	Note	2022	2021
Premium deposits from members		₱46,220,417	₱142,691,585
Accounts payable:			
Third parties		93,364,851	59,443,203
Related parties	27	13,182,648	7,404,847
Due to union/federation		11,523,633	10,285,805
Statutory payables		6,025,385	6,250,149
		₱170,316,934	₱226,075,589

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.

Due to union/federation represents the amount for remittance to the CETF of the federation or union chosen by the Cooperative.

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

17. 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, 2022 and 2021.

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 benefits cost recognized in the statements of operations are as follows:

	2022	2021
Current service cost	P3,590,239	P4,453,603
Net interest cost	360,636	733,402
	P3,950,875	P5,187,005

The retirement benefits liability (pension assets) recognized in the statements of financial condition are as follows:

	2022	2021
Present value of defined benefit obligation	P21,120,108	P30,881,394
Fair value of plan assets	(31,840,756)	(16,982,761)
	(P10,720,648)	P13,898,633

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

	2022	2021
Balance at beginning of year	P30,881,394	P36,083,089
Current service cost	3,590,239	4,453,603
Interest cost	1,625,173	1,362,870
Remeasurement gain	(9,685,971)	(10,434,500)
Retirement benefits paid from operating funds	(5,290,727)	(583,668)
Balance at end of year	P21,120,108	P30,881,394

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

	2022	2021
Balance at beginning of year	P16,982,761	P16,665,672
Contributions to the plan assets	15,000,000	-
Actual return on plan assets	1,264,537	629,468
Remeasurement loss	(1,406,542)	(312,379)
Balance at end of year	P31,840,756	P16,982,761

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Remeasurement gain on retirement benefits liability amounted to ₱8.3 million and ₱10.1 million in 2022 and 2021, respectively (see Note 26).

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

	2022	2021
Investments in government securities	60%	54%
Investments in unit investment trust fund	19%	44%
Investment in other securities and debt securities	18%	1%
Cash in banks	3%	1%
	100%	100%

The principal assumptions used in determining retirement benefits liability are as follows:

	2022	2021
Discount rate	7.19%	5.17%
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	
	2022	2021
Discount rate:		
Increase by 1%	(₱3,441,535)	(₱4,474,020)
Decrease by 1%	4,268,897	5,655,485
Salary rate:		
Increase by 1%	4,032,278	5,248,612
Decrease by 1%	(3,316,070)	(4,254,889)

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.

18. Other Noncurrent Liabilities

Other noncurrent liabilities amounting to ₱4.4 million and ₱3.0 million as at December 31, 2022 and 2021, respectively, pertain to cash bond deposits from collecting agents.

19. 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 ₱101.0 million and ₱119.1 million in 2022 and 2021, respectively (see Note 20).

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20. 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:

	2022				
	Balance at Beginning of Year	Allocation of Net Surplus	Payable to federation	Utilization	Balance at End of Year
General reserve fund	P154,861,384	P23,047,266	P-	P-	P177,908,650
Cooperative education and training fund	17,211,932	23,047,266	(11,523,633)	(17,211,932)	11,523,633
Community development fund	8,029,254	6,914,180	-	(4,496,798)	10,446,636
Optional fund	111,529,825	16,133,086	-	-	127,662,911
	P291,632,395	P69,141,798	(P11,523,633)	(P21,708,730)	P327,541,830

	2021				
	Balance at Beginning of Year	Allocation of Net Surplus	Payable to federation	Utilization	Balance at End of Year
General reserve fund	P134,289,774	P20,571,610	P-	P-	P154,861,384
Cooperative education and training fund	15,088,705	20,571,610	(10,285,805)	(8,162,578)	17,211,932
Community development fund	9,341,507	6,171,483	-	(7,483,736)	8,029,254
Optional fund	97,129,698	14,400,127	-	-	111,529,825
	P255,849,684	P61,714,830	(P10,285,805)	(P15,646,314)	P291,632,395

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:

	2022	2021
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:

	2022	2021
Allocation from net surplus	P161,330,865	P144,001,269
Distributed as:		
Interest on share capital	112,931,605	100,800,888
Patronage refund	48,399,260	43,200,381
Interest on share capital rate	7.27%	7.09%
Patronage refund rate	2.37%	3.22%

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The movements in this account are as follows:

	Note	2022	2021
Balance at beginning of year		₱144,001,269	₱119,146,430
Conversion to share capital	19	(101,000,667)	(119,146,430)
Payments		(43,000,602)	–
Allocation from net surplus		161,330,865	144,001,269
Balance at end of year		₱161,330,865	₱144,001,269

The utilization of CETF amounting to ₱17.2 million and ₱8.2 million in 2022 and 2021, respectively, pertains to trainings and seminars, and other incidental and related costs.

The utilization of community development fund amounting to ₱4.5 million and ₱7.5 million in 2022 and 2021, respectively, pertains to social and community service and other incidental and related costs.

21. Net Insurance Premiums

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

	2022	2021
Gross premiums earned on insurance contracts:		
Loan payment protection insurance	₱1,033,805,996	₱941,796,705
Group life	666,143,755	559,854,076
Regular plans	2,471,888	2,280,150
Personal accident and other nonlife products	446,128,263	445,303,070
	2,148,549,902	1,949,234,001
Reinsurers' share of gross premiums earned on insurance contracts	(46,361,431)	(34,819,640)
	₱2,102,188,471	₱1,914,414,361

22. Benefits and Claims Incurred on Insurance Contracts

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

	Note	2022	2021
Gross benefits and claims incurred on insurance contracts		₱1,191,856,098	₱1,094,917,318
Reinsurers' share	15	(39,759,447)	(36,567,250)
		₱1,152,096,651	₱1,058,350,068

23. Collection Costs

This account pertains to costs incurred for the collection of premium, commissions and incentives paid to insurance agents, which amounted to ₱630.0 million and ₱583.4 million in 2022 and 2021, respectively.

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Commissions paid to agents of CLIFSA and CIBC for marketing and sale of its various life and nonlife insurance products amounted to ₱204.1 million and ₱132.7 million in 2022 and 2021, respectively (see Note 27).

24. Salaries and Benefits

This account consists of:

	Note	2022	2021
Salaries and wages		₱75,127,294	₱66,285,129
Employee benefits		38,866,616	46,219,691
Retirement benefits cost	17	3,950,875	5,187,005
		₱117,944,785	₱117,691,825

25. General and Administrative Expenses

This account consists of:

	Note	2022	2021
General support services		₱15,547,858	₱20,070,310
Provision for probable losses of accounts receivable	10	15,053,993	–
Meetings, conferences and general assembly		11,113,726	3,575,238
Travel and transportation		9,208,698	4,013,487
Professional fees		8,168,566	8,465,994
Communications		5,418,212	5,655,104
Repairs and maintenance		4,179,792	4,604,141
Power, light and water		4,017,942	2,780,192
Office supplies		1,905,706	1,905,373
License fees and membership		1,774,799	1,229,909
Insurance		977,005	744,614
Taxes and licenses		495,381	458,438
Provision for probable losses of insurance receivables	8	–	2,166,355
Miscellaneous		829,228	579,021
		₱78,690,906	₱56,248,176

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26. Other Expenses - Net

This account consists of:

	Note	2022	2021
Provision for impairment of financial assets at cost	9	₱12,641,692	₱45,440,462
Loss (gain) on changes in fair values of financial assets at FVPL	9	8,550,895	(2,343,720)
Remeasurement gain on retirement benefits liability	17	(8,279,429)	(10,122,121)
Gain on withdrawal of financial assets at cost	9	(2,837,557)	-
Gain on disposal of property and equipment	11	(320,489)	(37,200)
Miscellaneous income		(7,574,038)	(7,748,471)
		₱2,181,074	₱25,188,950

27. Related Party Transactions

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

	2022	2021
Investments in shares of stock of related parties:		
CIMAC	₱66,500,000	₱66,500,000
CCLPI	15,000,000	15,000,000
CLIFSA	15,000,000	15,000,000
CPPPC	13,862,921	9,019,200
CIBC	6,250,000	50,000,000
CREDC	218,334	218,334
	₱116,831,255	₱155,737,534

Nature of Transactions	Note	2022		2021	
		Amount of Transactions	Outstanding Balance	Amount of Transactions	Outstanding Balance
Accounts receivable:	10				
CIBC					
Balance at beginning of year		₱718,329		₱-	
Cash advances		977,825		718,329	
Reclassification of cash advances from financial assets at cost	9	43,750,000		-	
Balance at end of year			₱45,446,154		₱718,329
CREDC					
Balance at beginning of year		4,777,797		-	
Cash advances		15,999		4,777,797	
Balance at end of year			4,793,796		4,777,797
CCLPI					
Balance at beginning of year		2,262,614		-	
Cash advances		-		2,262,614	
Balance at end of year			2,262,614		2,262,614

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Nature of Transactions	Note	2022		2021	
		Amount of Transactions	Outstanding Balance	Amount of Transactions	Outstanding Balance
CPPPC					
Balance at beginning of year		982,522		–	
Cash advances		566,674		1,059,720	
Collections		–		(77,198)	
Balance at end of year			1,549,196		982,522
CSCEIFC					
Balance at beginning of year		1,018,267		936,380	
Collections		(709,684)		–	
Cash advances		–		81,887	
Balance at end of year			308,583		1,018,267
			₱54,360,343		₱9,759,529
Accounts payable:	16				
CLIFSA					
Balance at beginning of year		₱7,001,621		₱–	
Commissions	23	192,972,632		127,349,223	
Payments		(187,997,389)		(120,347,602)	
Balance at end of year			₱11,976,864		₱7,001,621
CIMAC					
Balance at beginning of year		394,476		–	
Investment advisory fee		413,029		394,476	
Balance at end of year			807,505		394,476
CIBC					
Balance at beginning of year		8,750		10,282,255	
Commissions	23	11,109,556		5,335,126	
Payments		(10,720,027)		(15,608,631)	
Balance at end of year			398,279		8,750
			₱13,182,648		₱7,404,847

Compensation of Key Management Personnel of the Cooperative

Compensation of the Cooperative's key management personnel consists of salaries and wage and other short-term benefits amounting to ₱12.0 million and ₱11.4 million in 2022 and 2021 respectively.

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28. 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, 2022 and 2021 are as follows:

Statements of Financial Condition

	Life		Nonlife	
	2022	2021	2022	2021
ASSETS				
Current Assets				
Cash	₱503,519,936	₱388,661,699	₱298,761,160	₱290,807,864
Short-term placements	118,850,758	152,678,456	378,981,324	234,991,536
Insurance receivables	19,204,468	18,551,027	50,626,023	75,764,937
Financial assets at FVPL	54,730,856	73,612,014	14,230,263	–
Financial assets at cost	256,347,212	314,883,005	8,304,674	82,110,000
Accounts and other receivables	138,358,696	82,132,241	22,699,237	13,474,680
Prepayments	709,694	418,587	632,400	–
Total Current Assets	1,091,721,620	1,030,937,029	774,235,081	697,149,017
Noncurrent Assets				
Financial assets at amortized cost	838,886,479	887,158,111	558,380,798	494,684,328
Financial assets at cost - net of current portion	158,923,588	195,765,741	–	–
Property and equipment	312,250,684	84,814,407	51,858,119	36,284,899
Investment property	146,790,122	148,678,531	–	–
Pension asset	10,205,632	–	515,016	–
Other noncurrent assets	8,332,571	101,532,710	246,869	423,847
Total Noncurrent Assets	1,475,389,076	1,417,949,500	611,000,802	531,393,074
	₱2,567,110,696	₱2,448,886,529	₱1,385,235,883	₱1,228,542,091
LIABILITIES AND EQUITY				
Current Liabilities				
Insurance contract liabilities	₱1,076,468,317	₱1,150,709,274	₱246,941,328	₱153,814,375
Due to reinsurers	9,449,300	5,491,291	6,627,608	8,863,675
Interest on share capital payable	39,773,771	–	73,157,834	100,800,888
Patronage refund payable	17,045,902	–	31,353,358	43,200,381
Accounts and other payables	122,854,332	101,248,844	47,462,602	124,826,745
Total Current Liabilities	1,265,591,622	1,257,449,409	405,542,730	431,506,064
Noncurrent Liabilities				
Retirement benefits liability	–	13,230,948	–	667,685
Other noncurrent liabilities	3,887,618	2,656,017	507,876	346,980
Total Noncurrent Liabilities	3,887,618	15,886,965	507,876	1,014,665
Equity				
Members' equity	912,734,841	952,912,476	915,588,084	721,934,497
Deposits for future share capital	2,521,986	2,897,203	2,529,870	2,194,946
Statutory funds	266,474,507	219,740,476	61,067,323	71,891,919
Revaluation surplus	115,900,122	–	–	–
Total Equity	1,297,631,456	1,175,550,155	979,185,277	796,021,362
	₱2,567,110,696	₱2,448,886,529	₱1,385,235,883	₱1,228,542,091

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Statements of Operations

	Life		Nonlife	
	2022	2021	2022	2021
REVENUE				
Gross premiums earned on insurance contracts	₱1,702,421,639	₱1,503,930,931	₱446,128,263	₱445,303,070
Reinsurers' share of gross premiums earned on insurance contracts	(38,241,438)	(23,040,210)	(8,119,993)	(11,779,430)
Net insurance premiums	1,664,180,201	1,480,890,721	438,008,270	433,523,640
Income/interest from investments/deposits	49,173,897	43,574,927	27,549,626	22,558,078
Commissions and other underwriting income	19,666,772	10,025,777	25,277,708	10,341,227
	1,733,020,870	1,534,491,425	490,835,604	466,422,945
BENEFITS, CLAIMS AND EXPENSES				
Benefits and claims incurred on insurance contracts	1,037,121,994	968,294,691	114,974,657	90,055,377
Collection costs	495,886,658	453,470,650	134,072,211	129,910,899
Salaries and benefits	77,852,080	74,763,325	40,092,705	42,928,500
General and administrative expenses	40,420,176	44,923,964	38,270,730	11,324,212
Increase (decrease) in insurance contract liabilities	(29,451,543)	(20,068,101)	20,627,489	(48,112,380)
Depreciation and amortization	19,380,674	19,869,343	1,954,906	2,648,841
	1,641,210,039	1,541,253,872	349,992,698	228,755,449
OTHER EXPENSES (INCOME) - Net	10,639,869	26,681,719	(8,458,795)	(1,492,769)
NET SURPLUS (LOSS)	₱81,170,962	(₱33,444,166)	₱149,301,701	₱239,160,265

29. 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, 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.

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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:

	2022	2021
Cash in banks and other cooperatives	₱800,039,887	₱677,218,508
Short-term placements	497,832,082	387,669,992
Insurance receivables	97,089,455	121,574,928
Financial assets at FVPL	68,961,119	73,612,014
Financial assets at cost	481,657,628	638,199,208
Financial assets at amortized cost	1,397,267,277	1,381,842,439
Accounts and other receivables	176,111,926	95,606,921
Refundable deposits*	1,872,312	1,959,910
	₱3,520,831,686	₱3,377,683,920

*Presented under "Other noncurrent assets"

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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:

	2022					
	Neither Past Due nor Impaired			Past Due but not Impaired	Impaired	Total
	High Grade	Standard Grade	Substandard Grade			
Cash in banks and other cooperatives	₱800,039,887	₱-	₱-	₱-	₱-	₱800,039,887
Short-term placements	497,832,082	-	-	-	-	497,832,082
Insurance receivables	69,830,491	-	-	-	27,258,964	97,089,455
Financial assets at FVPL	68,961,119	-	-	-	-	68,961,119
Financial assets at cost	423,575,474	-	-	-	58,082,154	481,657,628
Financial assets at amortized cost	1,397,267,277	-	-	-	-	1,397,267,277
Accounts and other receivables	-	161,057,933	-	-	15,053,993	176,111,926
Refundable deposits*	1,872,312	-	-	-	-	1,872,312
	₱3,259,378,642	₱161,057,933	₱-	₱-	₱100,395,111	₱3,520,831,686

*Presented under "Other noncurrent assets"

	2021					
	Neither Past Due nor Impaired			Past Due but not Impaired	Impaired	Total
	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"

▪ 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.

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

	2022				
	Total	On Demand	Due Within 1 Year	Due More Than 1 Year Up To 5 Years	Due More Than 5 Years
Insurance contract liabilities	₱1,323,409,645	₱-	₱1,314,425,325	₱5,618,332	₱3,365,988
Due to reinsurers	16,078,908	-	16,078,908	-	-
Interest on share capital payable	112,931,605	112,931,605	-	-	-
Patronage refund payable	48,399,260	48,399,260	-	-	-
Accounts and other payables*	164,291,549	139,846,445	24,445,104	-	-
Other noncurrent liabilities	4,395,494	-	-	4,395,494	-
	₱1,669,506,461	₱301,177,310	₱1,354,949,337	₱10,013,826	₱3,365,988

*Excluding statutory payables

	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

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

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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.

30. 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, 2022 and 2021:

	2022		2021	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
Financial Assets				
Cash in banks and other cooperatives	₱800,039,887	₱800,039,887	₱677,218,508	₱677,218,508
Short-term placements	497,832,082	497,832,082	387,669,992	387,669,992
Insurance receivables	69,830,491	69,830,491	94,315,964	94,315,964
Financial assets at FVPL	68,961,119	68,961,119	73,612,014	73,612,014
Financial assets at cost	423,575,474	423,575,474	592,758,746	592,758,746
Financial assets at amortized cost	1,397,267,277	1,397,267,277	1,381,842,439	1,381,842,439
Accounts and other receivables	161,057,933	161,057,933	95,606,921	95,606,921
Refundable deposits*	1,872,312	1,872,312	1,959,910	1,959,910
	₱3,420,436,575	₱3,420,436,575	₱3,304,984,494	₱3,304,984,494
<i>*Presented under "Other noncurrent assets"</i>				
Financial Liabilities				
Insurance contract liabilities	₱1,323,409,645	₱1,323,409,645	₱1,304,523,649	₱1,304,523,649
Due to reinsurers	16,076,908	16,076,908	14,354,966	14,354,966
Interest on share capital payable	112,931,605	112,931,605	100,800,888	100,800,888
Patronage refund payable	48,399,260	48,399,260	43,200,381	43,200,381
Accounts and other payables**	164,291,549	164,291,549	219,825,440	219,825,440
Other noncurrent liabilities	4,395,494	4,395,494	3,002,997	3,002,997
	₱1,669,504,461	₱1,669,504,461	₱1,685,708,321	₱1,685,708,321

***Excluding statutory payables*

Cash in Banks and Other Cooperatives, Short-term Placements, Insurance Receivables, 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

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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, 2022 and 2021.

In 2022 and 2021, there were no transfers within any hierarchy level of fair value measurement.

31. 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:

	2022	2021
Members' equity	₱1,828,322,925	₱1,674,846,973
Statutory funds:		
Reserve fund	177,908,650	154,861,384
CETF	11,523,633	17,211,932
Community development fund	10,446,636	8,029,254
Optional fund	127,662,911	111,529,825
	₱2,155,864,755	₱1,966,479,368

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).

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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 ₱650 million and ₱450 million as at December 31, 2022 and 2021, respectively.

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, 2022 and the actual non-admitted assets as at December 31, 2021 are as follows:

	2022 (Estimated)	2021 (Actual)
Cash	₱76,635,589	₱60,995,155
Short-term placements	4,357,770	26,661,925
Insurance receivables	10,253,588	72,347,426
Accounts and other receivables	189,569,505	97,947,929
Financial assets at FVPL	–	11,066,130
Financial assets at cost	249,173,097	201,919,119
Financial assets at amortized cost	–	30,263,682
Property and equipment	79,559,219	54,917,140
Investment property	137,069,328	68,423,160
Other assets	42,261,089	142,617,322
	₱788,879,185	₱767,158,988

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, advances to officers and employees, investments in cooperatives, office furniture and fixtures, office equipment, motor vehicles and other assets are generally non-admitted assets.

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The Cooperative's estimated net worth as at December 31, 2022 and actual net worth as at December 31, 2021 are as follows:

	Life		Nonlife		Total	
	2022 (Estimated)	2021 (Actual)	2022 (Estimated)	2021 (Actual)	2022 (Estimated)	2021 (Actual)
Total assets	₱2,750,803,419	₱2,511,378,732	₱1,469,332,739	₱1,228,874,214	₱4,220,136,158	₱3,740,252,946
Total liabilities	1,270,075,080	1,340,222,841	337,818,948	433,003,270	1,607,894,028	1,773,226,111
Equity	1,480,728,339	1,171,155,891	1,131,513,791	795,870,944	2,612,242,130	1,967,026,835
Less: Non-admitted assets	636,389,937	634,449,810	152,489,248	132,709,178	788,879,185	767,158,988
Net worth	844,338,402	536,706,081	979,024,543	663,161,766	1,823,362,945	1,199,867,847
Less: Net worth requirements as at December 31					650,000,000	450,000,000
Excess over net worth requirements					₱1,173,362,945	₱749,867,847

As at December 31, 2022 and 2021, 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:

- a. The RBC2 ratio is less than 125% but is not below 100%;
- b. The RBC2 ratio has decreased over the past year; and,
- c. 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.

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The following table shows the RBC2 ratio of the life and nonlife unit based on internal calculations as at December 31, 2022 and the final RBC2 ratio as determined by the IC as at December 31, 2021:

	Life		Nonlife	
	2022 (Estimated)	2021 (Actual)	2022 (Estimated)	2021 (Actual)
Total available capital	₱1,079,064,792	₱706,214,576	₱1,120,590,935	₱732,497,957
RBC2 requirement	299,793,023	232,312,706	100,852,846	78,186,770
RBC2 ratio	360%	304%	1111%	937%

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, 2022 and 2021 for FRF and gross premium valuation.

Asian Actuaries Inc. Statement of Opinion Life



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 2022 amounting to

- P **763,878,763.34** (individual/group life insurance contracts)
- P **3,030,603.07** (MAS plan)
- P **292,975,801.25** (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, 2022. 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

03 March 2023

Asian Actuaries Inc. Statement of Opinion Life



ANNEX "A"

A. Assets

1. Net life insurance premiums and annuity considerations due and uncollected	Nil
2. Accident and health premiums due and uncollected	Nil

B. Liabilities

1. Aggregate reserve for life policies and contracts	763,878,763.34
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	104,846,017.42
4.2 In course of settlement:	
4.2.1 Resisted	23,281,605.38
4.2.2 Others	Nil
4.3 Incurred but not unreported (less reinsurance)	164,848,178.45
4.4 Total (Gross)	292,975,801.25
4.5 Add: Reinsurance assumed on reported claims	Nil
4.6 Less: Reinsurance ceded on reported claims	Nil
4.7 Net Liability	292,975,801.25
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	3,030,603.07

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
2022 Actuarial Valuation Result

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Asian Actuaries Inc. Statement of Opinion Non Life



Report on Actuarial Valuation of Non-Life Insurance Policy Reserves CLIMBS Life and General Insurance Cooperative (CLIMBS) For the period ended 31 December 2022

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, 2022.

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.

Asian Actuaries Inc. Statement of Opinion Non Life



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 Annex 1 for the summary of the data validation process.

The same claims availment process as that of 4Q2021 valuation still applies and is shown in Annex 2.

Asian Actuaries Inc. Statement of Opinion Non Life



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 detail in the succeeding sections.

	Gross RI	Net RI
Fire		
Unearned Premium Reserves (UPR), Net	16,016,350	13,566,435
Unexpired Risk Reserves (URR) with MFAD	20,798,759	20,006,446
Motor		
Unearned Premium Reserves (UPR), Net	42,352,015	41,685,169
Unexpired Risk Reserves (URR) with MFAD	29,232,343	28,901,153
PA		
Unearned Premium Reserves (UPR), Net	46,349,863	46,283,702
Unexpired Risk Reserves (URR) with MFAD	22,677,673	22,673,480
Others		
Unearned Premium Reserves (UPR), Net	39,782,527	39,211,493
Unexpired Risk Reserves (URR) with MFAD	5,536,231	5,546,495
Total Premium Liabilities	144,500,754	140,746,799

Asian Actuaries Inc. Statement of Opinion Non Life



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, 2022, amount to:

	Gross RI	Net RI
Total Liabilities	246,941,328.68	244,033,718.99
Premium Liabilities	144,500,754.39	140,746,799.48
Claims Liabilities	102,440,574.29	103,286,919.51

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

Date Signed: 28th of March 2023

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, President and CEO
 Signature over Printed Name of the
 Chief Executive Officer/Responsible Officer
 CLIMBS Non-Life and General Insurance Cooperative

Date Signed:

Proposed 2023 Budget

CLIMBS LIFE AND GENERAL INSURANCE COOPERATIVE

PROPOSED BUDGET FOR 2023

(In million peso)

	PROPOSED BUDGET		ACTUAL		INC(DEC)	%
	2023	%	2022	%		
Gross Premium	3,000.00	109%	2,406.29	114%	613.58	25.71%
Refund & Reinsurance	240.11	9%	304.10	14%	35.36	17.27%
Net Premium	2,759.89	100%	2,102.19	100%	578.22	26.50%
Underwriting Costs					-	
Claims paid and incurred	1,421.34	52%	1,152.10	55%	157.53	12.46%
Commission/management fees	689.97	25%	624.06	30%	67.79	10.90%
Increase/decrease in Reserves	137.99	5%	8.82	0%	151.41	-1128.29%
Agency Expenses	15.18	1%	0.09	0%	10.21	205.25%
Sales Awards & Incentives	6.90	0%	5.81	0%	6.62	2364.19%
	2,271.39	82%	1,773.24	84%	393.57	1464.50%
Underwriting income	488.50	18%	328.95	16%	184.65	60.77%
Operating Expenses	275.99	10%	217.97	10%	104.40	60.84%
Operating Income	212.51	8%	110.98	5%	80.25	60.68%
Investment & Other Income	87.49	3%	119.49	6%	18.99	-19.20%
Net Surplus	300.00	11%	230.47	11%	61.26	26.50%

BUDGET 2023-CAPEX	AMOUNT	%	ANNUAL DEPRECIATION
IT Equipment	11.00	5.43%	2.20
Vehicles	8.00	3.95%	1.60
System Development & Licenses	25.00	12.40%	5.00
Improvements	3.00	1.54%	0.60
Furniture, Fixtures & Equipment	3.00	2.65%	0.60
Bldg - Bulua/ Land and Bldg Davao	150.00	74.04%	nil
Total CAPEX	200.00	100.00%	10.00

Notes to Budget:

1. The Projected Gross Premium Is P3B (P2.4B for Life and P0.6B for NL)
2. The desired OPEX Ratio is 10% and the desired Net Margin Ratio is 10% of Gross Premium
3. The contingencies of 4% of the Net Premium is provided for unforeseen expenses, the President shall approved its utilization
4. The budget for P150M is provided for Building construction in Bulua and Land/condo in Davao, Turn over is 2024
5. The Net Premium is gross premium less refund, rebates and Re-insurance of 8.7% of the Net Premium
6. The new purchases of Furniture and equipment is equal to 5% of the Total PPE, based on schedule.
7. The ratio of individul expenses shall be strictly espoused based on the actual monthly Net Premium.
8. The additional month pay is allocated in case the actual OPEX ratio is below 10% at the end of the year based on Performance evaluation
9. The Upgrading/enhancement of CLIMBS system/IFRS 17 is budgeted at P25M
10. The hiring is only open for project base or contractual and replacement of resigned regular position
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. The acquisition of Non Admitted Assets like Vehicles and Furniture and equipment is up to P11M only spread in 3 quarters
13. The Agency expenses of P5.18M and P5M are for CLIMBS share/subsidy to selected Clifsa Satelite's AA salaries at minimum rate and 9 BDOs respectively.

Proposed 2023 CDF and CETF Plan

CLIMBS Social Developmental Plan 2023

Code	Key Area	Budget
A	Education, Training, Seminar for Community a. OJT b. Koop Eskwela c. Adopt a school-Supplies and Equipment d. Scholarship e. Weather Protect Insurance	500,000.00
B	Environment Conservation and Preservation a. Tree planting b. Coastal cleaning activities	100,000.00
C	Health & Sanitation a. Medical and hygiene kit b. Vaccine	100,000.00
D	Partnership and Community Groups Projects a. Water distribution b. Operation Tuli c. Donation d. KVI Activities e. Blood Letting	500,000.00
E	Sports, Cultural and Religious Activities	200,000.00
F	Disaster Risk Reduction and Management a. Relief goods	500,000.00
G	Gender Equality and Women Empowerment	100,000.00
H	Support to the Vulnerable Sector of Society a. Children and Youth for Coops & Youth Hackaton b. Person with Disabilities c. Elderly/home for the aged d. Indigenous People	700,000.00
I	Fire Brigade	1,000,000.00
J	Peace and Order	300,000.00
K	Infrastructure - Adopt a barangay	1,000,000.00
L	CARES Operating costs - volunteers and staff	914,180.00
M	Climate Change Activities	1,000,000.00
TOTAL BUDGET		6,914,180.00

Note: This CDF is funded and placed to TD-Eastwest Bank, P6,236,239.41

2023 CLIMBS CETF Plan and Activities in compliance with CDA's MC 2019-08

Member/Coop Training and Seminars	Budget	
1 CAC Trainings	5,761,816.58	50%
2 Coop Training and Orientation		
3 Financial literacy		
4 General Assembly Expenses - 1/2		
5 Business Forum		
6 International Exposure		
7 GAD Activities		
8 Research and Development		
9 Advocacy		
10 Weather Protect Insurance		

Employees Training and Seminars	Budget	
1 Team Building	3,457,089.95	30%
2 Monthly Staff Assembly		
3 Staff Development		
4 Master Class		
5 International Exposure		
6 Friday Talks		
7 GAD activities		
8 CPD for professionals		
9 Weather Protect Insurance		

Officers Training and Seminars	Budget	
1 Training required by IC	2,304,726.63	20%
2 Officers Development		
3 International Exposure		
4 Master class		
5 Planning Session		
6 GAD Activities		
7 Weather Protect Insurance		
TOTAL BUDGET	11,523,633.15	

Note: This CETF is fully funded and placed in a Time deposit at BDO under the name of CIM

Proposed 2023 Operational Plan

Strategic Innovation - our commitment to insure 20 million lives by 2024

Particulars	Base Year 2019	Year 1: 2020 Actual	Year 2: 2021 Actual	Year 3: 2022 Actual	Year 4: 2023 Target	Year 5: 2024 Target
• Gross Premium in Billion (Inclusive of refund)	1.94 B	1.77 B	2.00 B	2.15 B	3.00 B	4.2 B
• Life	1.58 B	1.479 B	1.50 B	1.70 B	2.4 B	3.4 B
• Non Life	0.343 B	0.36 B	0.45 B	0.446 B	0.6 B	0.8 B
• Investment Return	2.9%	4.46%	2%	4.1%	4.5%	5%
• Return on Equity	10%	10.05%	11.2%	10.1%	12%	15%
• Million Paying Accounts	160	148	194	213	400	500
• Business Mix (Luzon, Visayas, Mindanao)	27/23/50	27/25/48	22/27/51	26/27/46	30/25/45	40/30/30
• Net Surplus in Million	206	170.21	205.72	230.47	300	382
• Dividend Rate	6%	5.3%	7.3%	7.27%	8%	10%
• CoopAssurance Centers with MOA	115	178	190	154	200	250
• Active CoopAssurance Centers		138	146	154	200	150
• Number of Coops with Non Life Policies	1,800	1,260	1,309	1,295	4,000	5,000
• Number of Lives Insured	4.4 M	5.29 M	6.1 M	6.5 M	15 M	20 M



Proposed 2023 Operational Plan



Strategic Innovation

Our commitment is to insure 20 million lives by 2024

Particulars	Base Year 2019	Year 1: 2020 Actual	Year 2: 2021 Actual	Year 3: 2022 Actual	Year 4: 2023 Target	Year 5: 2024 Target
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• Number of Lives Insured	4.4 M	5.29 M	6.1 M	6.5 M	15 M	20 M

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 2022, the audit committee continued to supervise the internal audit functions and performance of the planned audits for the year.

The Audit Committee convened thrice in 2022 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 09, 2022 at Mallberry Suites, Cagayan de Oro City.

For the year 2022, the Committee has issued four (4) Audit Observation Memoranda (AOM) with thirty-six (36) audit recommendations. As of March 29, 2023, two (2) of 2022 AOMs were fully implemented while two (2) are in progress. The audit observations that are still in progress are as follows:

AOM NO./DATE	OBSERVATIONS	RECOMMENDATIONS	MANAGEMENT REPLIES
1. 2022-004/09.01.22	<p>Branch and Area Office Audit in Visayas</p> <p>➤ Insurance policy forms for both Life and Non-Life were counted and we have observed that the registry/log/columnar book was not maintained. The in-charge (Admin-Life and Policy Issuer-NL) encoded in excel form the policies assigned to S.O. and CAC and kept the transmittal file for future reference.</p>	<p>AC recommended that CLIMBS must create a policy on monetary penalties specifically on accountable forms lost like an insurance policy, official receipts, and provisional receipts. Also suggested that CLIMBS should make notice of publication in the local newspaper to inform the public of any lost forms in which that lost forms shall not be used for issuance anymore. Lastly, AC suggested that frequent reporting of forms based on the inventory report preferably on a monthly basis is advised to have effective internal control on the accountable forms.</p>	<p>The top management has discussed this matter in one of our meetings and has decided to hire a Property Custodian whose function is currently assumed by our Admin Assistant-Procurement/Purchaser. The Custodian will be under the FIT department and supervision of the Treasury Officer. He will handle the issuance, management/custodianship, and monitoring of all CLIMBS properties, including supplies, materials, and accountable forms. We believe that this move will help in the close monitoring of the use of these policy forms. Implementation is expected within April 2023.</p>
2. 2022-001/02.14.22	<p>Unremitted Non-Life Premium of Mr. Arthur Fernandez (Arthel Agency) in CLIMBS Davao Branch</p> <p>➤ We have noted that as of January 31, 2022, 2,912 CTPL policies were unpaid, issued from September 15, 2017, to September 26, 2018, with a gross premium of Php 1,218,828.30.</p>	<p>We also recommend referring this matter/concern to our Legal Counsel for any appropriate legal action.</p>	<p>After due effort to locate the present address of Mr Arthur Fernandez, we finally have his address last March 29, 2023. Our legal team is now in the process of issuing demand letter to Mr. Fernandez.</p>

Audit Committee Report

	<p>➤ Arthel Agency issued 3 checks that were bounced (DAIF) and 4 pre-signed checks received by our NL cashier.</p>	<p>Receiving a pre-signed blank check from a client as payment for insurance premium is not allowed in CLIMBS and for any bounced check not replaced within 15 days upon notice, the policy must be canceled. Thus, recommend referring this matter/concern to our Legal Counsel for any appropriate legal action.</p>	<p>Our legal team is now in the process of issuing demand letter to Mr. Arthur Fernandez.</p>
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Upon review of the Financial Statements as at and for the year ended December 31, 2022, the following relevant financial ratios were noted, with comparative figures from the previous year:

Relevant Ratios	2022	2021
Current Ratio	1.12:1	1.02:1
Solvency Ratio	124.2:1	133.8:1
Net Profit Margin	10.96%	10.74%
Return on Equity	11.46%	11.19%

Current Ratio measures the Cooperative's ability to pay off short-term liabilities with current assets. CLIMBS' current ratio has increased for this year as compared to last year because current liabilities decreased by 1.06% while current assets increased by up to 7.98%. Higher ratio indicates CLIMBS greater ability to meet its financial commitments.

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 2022 is still over 100% which means that CLIMBS is managing its assets too conservatively and were even able to lower its liabilities from last year by around 1.78% or around 30 Million.

Net Profit Margin or Return on Sales measures CLIMBS' operating efficiency. The Cooperative's Net Profit Margin increased from previous year because of the increase in revenue generation. Though the general and administrative expenses also increased as the country recovers from COVID 19 and operations are back to normal where travels are allowed, this was backed-up by the increase in other income such as interest, dividends, commission and other underwriting income.

Return on Equity (ROE) measures how well CLIMBS did in relation to the investments made by members. Increased in ROE for 2022 was due to increase in net income which also means that the Cooperative has earned more for every amount of capital invested by members compared to the previous year.

On the other note, the existing external auditor is engaged with CLIMBS for five years already and CDA has provided guidelines to limit external audit engagements to five years only as provided in Section 9 (h) of MC No. 2019-10. In this regard and as of March 29, 2023, the committee were able to get two proposals from (1) Punongbayan & Araullo (Philippine member firm of Grant Thornton International Ltd.); and (2) PwC Isla Lipana & Co. We also got one decline for proposal from SGV and Co. The Committee will present our recommendation to the BOD and Management before to General Assembly.

Audit Committee Report

Lastly, for the year 2023 the Audit Committee has approved the Internal Audit's Annual Audit Program and will continue to oversee the performance and progress of the previous and present years' audit recommendations. The committee will also assess the quality of work of the internal audit team, effectiveness of CLIMBS' internal controls and compliance to Cooperative policies and regulations.



JOSELITO O. SANTILLAN
Audit Committee Chair



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



BRIAN P. YAP
Audit Committee Secretary

Election Committee Report

3
4
5 **MINUTES OF THE VIRTUAL ELECOM MEETING**
6 **March 9, 2023, 10:00 am via ZOOM Application**
7 Present:
8 1. Atty. Rolando Casaway (Nabunturan Integrated Cooperative) - Chairperson
9 2. Alexander Raquepo (Santa Cruz Savings & Development Credit Coop) - Vice Chairperson
10 3. Elizabeth Gabutin (Guadalupe Multi-Purpose Cooperative) - Secretary
11
12 Also Present:
13 4. Cielo Angela A. Jaraula - EA to the Pres.
14 5. Rowena P. Casinillo - Recording Secretary
15
16 Agenda:
17 I. Call to Order
18 II. Approval of Agenda
19 A. CDA Amendment of CLIMBS ACBL
20 B. Vacancies for 2023 Elections
21 C. Revised 2023 Election Guidelines
22
23 III. Adjournment
24
25 Meeting Proper
26
27 **I. Call to Order**
28
29 The meeting was called to order by Chairperson Atty. Casaway at 9.25 am.
30
31 **II. Approval of Agenda**
32
33 The reading and approval of agenda was made by Atty. Casaway, explaining the agenda briefly.
34
35 **A. CDA Amendment of CLIMBS ACBL**
36
37 The Amendment of CLIMBS ACBL was submitted to CDA Central Office last December
38 19, 2022 and returned to us with CDA findings sometime last January 2023, it was then
39 re-submitted with our revision last Feb. 16, 2023. As of March 9, 2023 the status of our
40 amended ACBL is for evaluation. Atty. Casaway then suggested that, we will make
41 constant follow up to CDA. Mr. Raquepo also said that he will help and call Atty.
42 Batonan of CDA Registration.
43
44 **B. Vacancies for 2023 Elections**
45
46 The following are the vacant seats for 2023 elections:
47
48 **Board of Directors**
49
50 Luzon Area - 1 vacant seat
51 Visayas Area - 1 vacant seat
52 Mindanao Area - 1 vacant seat
53 Director at Large - 2 vacant seats
54

Election Committee Report

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Committees:

- Audit Committee - 1 vacant seat
- Election Committee - 1 vacant seat

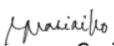
C. 2023 Election Guidelines

- Mr. Raquepo said that the 2023 Election Guidelines is good to go, except for the two (2) Director at Large to be voted by the General Assembly in case the CLIMBS Amended ACBL will be approved by the Cooperative Development Authority (CDA). Mr. Raquepo then asked Atty. Casaway what will be the case if there is no approval by the CDA and we have already elected two (2) Director at Large which was approved by the General Assembly with GA Resolution. Atty Casaway then replied that no approval of CDA is not that critical because it was approved by the General Assembly. They then recommend that we will still wait for CDA's approval and act accordingly. Atty. Casaway also cited that if the GA is still in active and it has not been adjourned, we can throw that to the GA and let the GA decide, but we will inform the different cooperatives that there is that possibility that the GA will approve the two (2) Board of Directors as approved by the General Assembly.
- The 2023 Election Guidelines includes the conditional two (2) Directors at Large. Mr. Raquepo suggested and duly seconded by Ms. Gabutin, that the election of two (2) Director at Large will still proceed, and if there will be winners they cannot seat and take oath of office, unless we receive the approval of the amended ACBL from the CDA.
- On the proposal of Mr. Raboy regarding the representation of youth member as one of the two (2) Independent Director, Mr. Raquepo suggested that youth representative representing the youth community should become part of the proposal for the amendment of the By-Laws and the BOD should make a Board Resolution appointing a youth representative and that resolution should be presented to the general assembly for approval, once approved it will be part of the By-Laws. Youth representative should be a member of a cooperative.
- That Election Committee will be flying to Cagayan de Oro on April 25, 2023 for the final screening of all the candidates; only the authorized candidate or representative will get the ballot code. This was unanimously approved by the Election Committee.
- Atty. Casaway also cited that during the presentation of candidates, the candidate must be present upon the whole duration of the assembly; otherwise, he/she is disqualified. Since the general assembly is face to face, the manner of voting during the election is electronic voting and is done on site.

III. Adjournment

There been no matters discussed, the meeting was adjourned at 10.15am.

Minutes taken by:


Rowena Casinillo
Recording Secretary

Attested by:

Sgd. Elizabeth Gabutin
Election Committee Secretary

Head Office and Branch Team

Office of the President



Life Department



Non Life Department



Compliance Department



IT Department



CLIMBS CARES



Admin Department



Marketing Department



FIT Department



Internal Audit



Luzon Branch Office



Visayas Branch Office



Davao Branch Office



CLIMBS Subsidiaries and Affiliates

COOP LIFE GENERAL INSURANCE AND FINANCIAL SERVICES AGENCY



CLIMBS INSURANCE AND BROKER CORPORATION



CLIMBS REAL ESTATE DEVELOPMENT CORPORATION



CLIMBS PRINTING PRESS AND PUBLISHING, INC.



CLIMBS INVESTMENT MANAGEMENT AND ADVISORY CORPORATION



CO-OPERATIVE COLLEGE OF THE PHILIPPINES



Sales Team



▶ OFFICES

HEAD OFFICE

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Email: customerservice@climbs.coop

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Affiliations (Local and International)



Partners (Local and International)



GA Sponsors

