



1CISP

Reaching Out to the Grassroots  
Through Digitalization

2020

**ANNUAL  
REPORT**

24 APRIL 2021

# OUR DIRECTIONS



## MISSION

A viable and socialized cooperative insurance service that protects and empowers Filipinos, especially those who have less in life.



## VISION

To insure three million Filipinos by 2025

## VALUES

### COMMITMENT TO RELIABILITY

Promoting a dependable cooperative insurance system where members enjoy guaranteed protection for their financial and welfare needs.

### UNDER-PROMISE, OVER-DELIVER

Empowering cooperatives and their members by going the extra mile to produce outstanding results that favor the insured and deliver beyond expectations.

### MUTUAL PROSPERITY

Creating a cooperative insurance system that perpetuates mutual prosperity and financial fairness and responsibility to all parties.

### COMMITMENT TO RELIABILITY

Delivering excellent and uncompromised service to its host communities and member cooperatives.

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# PROGRAMME

## 47TH ANNUAL GENERAL ASSEMBLY - APRIL 24, 2021

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- ◆ **Opening Ceremony**
- ◆ **Presentation of House Rules**
- ◆ **Call to Order**
- ◆ **Proof of Due Notice**
- ◆ **Determination of Quorum**
- ◆ **Approval of Agenda for the 47th General Assembly Meeting**
- ◆ **Presentation of Election Guidelines and Candidates**
- ◆ **Election Proper**
- ◆ **Approval of Minutes of Meeting of the 46th General Assembly Meeting**
- ◆ **Confirmation of Board Resolutions for the Year 2020**
- ◆ **Approval of Annual Reports**
  - Joint Report of the Board of Directors and Management for the Year 2020
  - Approval of 2020 Audited Financial Statements
  - Approval of 2021 Budget
  - Audit Committee Report for 2020
- ◆ **Approval of Distribution of Net Surplus for the Year 2020**
- ◆ **Appointment of External Auditor for 2021**
- ◆ **Approval of Five-Year Strategic Plan**
- ◆ **Acknowledgement of Top Contributors**
- ◆ **Proclamation of Winners in the Election**
- ◆ **New Business**
- ◆ **Adjournment**



**OFFICE OF THE PRESIDENT OF THE PHILIPPINES  
MALACAÑANG**

**RODRIGO R.  
DUTERTE**

**The President of the Philippines**

**MESSAGE**

My warmest greetings to the **1 Cooperative Insurance System of the Philippines Life and General Insurance (1CISP)** as it holds its virtual **47<sup>th</sup> Annual General Assembly** and publishes its **Annual Report**.

Over the years, 1CISP has been a reliable partner of the government in ensuring that every Filipino is given the opportunity to lead a more financially secure and prosperous life.

I thus commend your organization for its continuing efforts to create programs and services that benefit your members and stakeholders, especially amidst the COVID-19 pandemic. I also hope that your collective achievements, to be chronicled in your Annual Report, will further inspire everyone to work for the greater good.

May this event further strengthen your commitment in looking after the welfare of our people. With your help, I am confident that we can build a more progressive, united and vibrant nation for all.  
I wish you more success today and in the years ahead.

**RODRIGO ROA DUTERTE**

**MANILA**  
10 April 2021



**INSURANCE COMMISSION**

**DENNIS B.  
FUNA**

**Insurance Commissioner**

## **M E S S A G E**

### **1CISP 47th Virtual Annual General Assembly Reaching Out to the Grassroots Through Digitalization**

It is a common knowledge that the previous year has been a very challenging and difficult time for the industry. Amid the challenges of these unprecedented times, 1CISP has shown its relentless dedication in upholding a sustainable and dependable cooperative insurance system that is committed in providing guaranteed financial protection to its members. With this, it is indeed a pleasure in my part to commend and congratulate 1CISP in the occasion of its 47th Virtual Annual General Assembly.

With over 3,000 cooperatives under its umbrella, the 1CISP has further proven its relevance and standing as one of the insurance industry's formidable allies in making a financially-inclusive society possible. It is also worthy of recognition how 1CISP responded to ensure that the needs and welfare of its employees and members are duly met despite the hardships caused by the pandemic. Through the effective utilization of technological innovations, 1CISP was able to ensure the continuity of its operations and pioneered the digitalization of cooperatives in the Philippines.

I certainly hope that these achievements and milestone will serve as an inspiration for the officers and members of the organization to continue the remarkable work in the field of cooperative and composite insurance. It is through our hard work and cooperation that we can create a brighter future for the industry. Together, let us make it possible.

Once again, congratulations to the 1CISP.

  
**DENNIS B. FUNA**  
Insurance Commissioner





## COOPERATIVE DEVELOPMENT AUTHORITY

ORLANDO R.  
RAVANERA

Chairperson

### Message

Warmest greetings of congratulations to 1 Cooperative Insurance System of the Philippines Life and General Insurance (1CISP) for another milestone achieved of unrelenting service to your members and to the entire Filipino nation!

Amidst crisis and uncertainty brought about by the pandemic and natural calamities throughout the past years, the 1CISP rise above the challenges and even become the stronghold of its members. Indeed, its services and advocacy is a description of genuine commitment to members and to the community as it reinforces the inclusiveness of the principles of cooperativism.

As this year marks your 47<sup>th</sup> Virtual Annual General Assembly with the theme: "**Reaching Out to the Grassroots Through Digitalization**", the Cooperative Development Authority is with you in drawing the people to the mainstream process of development, thereby liberating them from the quagmire of poverty, social injustice and inequity. Because cooperatives, where people shared resources, talent, skills, time, effort and passion are truly potent drivers of development, instruments of wide capital distribution, and true allies of the Filipinos in achieving greater resiliency and stability.

On behalf of the Cooperative Development Authority, I commend the 1CISP for being strong and steadfast in showcasing the spirit of cooperativism.

As you soar higher to reach your goal, continue to become an enabling partner not only to your members but also to the cooperative sector, communities and nation for people, planet, prosperity and peace.

  
ORLANDO R. RAVANERA  
Chairman



## **PHILIPPINE INSURERS AND REINSURERS ASSOCIATION**

**ALLAN R.  
SANTOS**  
Chairperson

### PIRA Message to 1CISP

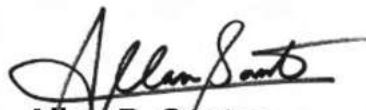
On behalf of the Philippine Insurers and Reinsurers Association (PIRA), I'd like to congratulate 1 Cooperative Insurance System of the Philippines Life and General Insurance (1CISP) on its 47th General Assembly. We live in a totally different time now, and I believe 1CISP is stepping up to the challenges as well as capturing the opportunities that this time in history brings.

Your theme, "Reaching The Grassroots Through Digitalization," speaks volumes about your organization's reason for being. As the biggest cooperative insurer in the country, 1CISP is in a unique position to make a difference in the lives of our people, especially those in the fringes of society.

Now, more than ever, people are aware of their vulnerabilities and their need for insurance protection. And 1CISP can exploit the power of digitalization to reach out to millions of uninsured Filipinos who are in dire need of the protection that insurance offers.

All the best to your management led by President Roy S. Miclat, your ever energetic staff, and the 3,000 member cooperatives that are now under your wing. May you find continued success toward fulfilling your mission of building a society that is fully protected and empowered through a cooperative insurance system.

Again, congratulations and more power to 1CISP!



**Allan R. Santos**

Chairman  
Philippine Insurers and Reinsurers Association





**PHILIPPINE LIFE INSURANCE ASSOCIATION, INC.**

**BENEDICTO C.  
SISON**  
President

**Message for 1CISP 47<sup>th</sup> Annual General Assembly**

The Philippine Life Insurance Association, Inc. (PLIA) congratulates the 1Cooperative Insurance System of the Philippines Life and General Insurance (1CISP) on the occasion of its 47<sup>th</sup> Annual General Assembly on April 10, 2021 with the theme *“Reaching Out to the Grassroots through Digitalization”*.

PLIA celebrates with 1CISP its significant and steady growth in recent years, having increased its premium income level three-fold from 2014 to 2019 that enabled it to cross the billion mark. Such growth reflects its success in bringing the benefits of life insurance to an increasing segment of the Philippine population, especially to the underserved sectors. 1CISP’s cooperative distribution system enables a targeted delivery of insurance services that is complemented by products which are responsive to the needs of its members. In so doing, 1CISP ably contributes to the financial inclusion objectives of the industry.

PLIA is proud to have you as an active partner in promoting the interests of the industry along with those of the insured public we serve.

On behalf of the PLIA Board of Directors, I wish 1CISP more future successes and milestones to achieve!

*Benedicto C. Sison*  
**BENEDICT C. SISON**  
President



icmif

**INTERNATIONAL COOPERATIVE AND MUTUAL  
INSURANCE FEDERATION**

**SHAUN  
TARBUCK**

**Chief Executive Officer**

On behalf of all the Secretariat of the International Cooperative and Mutual Insurance Federation (ICMIF) I am delighted to send our very best wishes to our member organisation 1Cooperative Insurance System of the Philippines Life and General Insurance (1CISP) and its many member cooperatives in the Philippines on the occasion of your 2021 Annual General Meeting.

My team and I would like to congratulate everyone at 1CISP for your 47th year as a cooperative and for offering such wonderful service to your members for so many years. We were delighted to hear that you now have over 3,000 cooperative members. After the many challenges of the last year due to the Covid-19 this is a wonderful achievement.

We would like to extend our warmest wishes to all your members who join you at the 2021 1CISP Annual General Assembly. We note with interest that your theme this year will be “*Reaching Out the Grassroots Through Digitalisation*” which is so important in these challenging times and we have been full of admiration for the many technological developments made by 1CISP over the last year. Digitalisation is essential in the current times and we congratulate you on for taking to your membership.

Last year was another wonderful year of engagement between our two organisations and we were delighted to welcome delegates from 1CISP to our virtual events including the Mutual Leadership Course; the Strategic Leaders Roundtables; and our many webinars.

Even though our events remain, for now, virtual they are a great opportunity for our friends from 1CISP to network and share best practices with other cooperatives from around the world.

We have enjoyed learning more about your great organisation through our many interactions during the last year and we hope to continue this as 2021 progresses. My team and I particularly enjoyed watching the presentation by Jackelyn Ballena, Vice President for Operations (Life) and Honey Daba, 1KIN Program Specialist in our recent webinar with 1CISP “*Beyond financial inclusion: How 1CISP is revolutionising the way Filipino cooperatives serve their members through digitalisation*”. It was fascinating to learn more about the way that you are transforming your organisation through digitalisation for the great benefit of your member cooperatives. An inspirational session for all who attended it.

We wish you a very successful and enjoyable General Assembly.  
Best wishes,  
Shaun Tarbuck



## ASIA AND OCEANIA ASSOCIATION OF THE ICMIF

**FUMIO  
YANAI**  
Chairperson

### MESSAGE

As Chair of the Asia and Oceania Association (AOA) of the International Cooperative and Mutual Insurance Federation (ICMIF), it is my great pleasure and honor to congratulate ICISP on the occasion of its 47th Virtual Annual General Assembly.

Although the world has been facing severe pandemic risk of the Covid-19 since last year, our mission, as cooperative and mutual insurance organizations of protecting the livelihood of members and users by providing insurance security services remains unchanged and our role is becoming even more important. In this situation digitalization of our services assists us to reach out to the wider range of people.

ICISP is constantly challenging its innovative initiatives and is recognized to play an important role in the Philippines to achieve the SDGs' central promise of "Leave no one behind".

In addition, ICISP actively participates in the activities not only in the Philippines but also of the ICMIF and its regional association in Asia and Oceania (AOA) and shares its knowledge with others and leads discussions at various events. As a result, the presence of ICISP in the global cooperative sector is indispensable.

As a leader in the cooperative insurance sector in the Philippines, we sincerely hope that ICISP will grow sustainably in the future and we will have many opportunities to celebrate ICISP's contribution to the growth of the cooperative sector and its members' happiness.

**Fumio Yanai**

Chair

Asia and Oceania Association of the ICMIF



icmif  
YOUNG LEADERS

## ICMIF YOUNG LEADERS PROGRAM

BEN  
TELFER

Vice-President and Co-ordinator

On behalf of the ICMIF Young Leaders Forum, I am once again pleased to commend 1CISP for its efforts to engage young professionals and develop the next generation of leaders within the cooperative sector in the Philippines.

Young people around the world have been dramatically impacted by the Covid-19 pandemic, facing employment-related challenges and issues around mental health. Despite the challenges that the pandemic brought, 1CISP's leadership has enabled it to innovate to the changing situation during the pandemic and emerging issues in the "new normal". Seeing some of 1CISP's initiatives over the past year to help support employees, have an impact in communities, and empower cooperatives across the country has been inspirational.

ICMIF is honoured that your colleague, Jackelyn P. Ballena, was elected as the chairperson of the ICMIF Young Leaders Forum, our global network of young professionals. The Forum focuses on the professional and personal development of those that have been identified as future leaders within their organisations, and allow young leaders to network, learn from and collaborate with peers from other cooperative organisations around the world, in order to help them develop their professional and leadership skills.

In 2020, ICMIF published *The next generation of mutual talent*, a comprehensive study on how young employees can be attracted, developed and retained by cooperative/mutual insurance companies around the world. This was the first report to be written by the ICMIF Young Leaders Forum.

The report describes a wide range of initiatives and programs which help to position the cooperative business model as the "employer of choice" for the younger generation. The report included a number of recent initiatives by 1CISP, including the Young Leader Program, the YES! Program, and the Coop Kicks Program. These examples will provide advice and guidance for other cooperatives around the world seeking new ways of managing their relations with their young co-operators.

I am delighted to extend my best wishes to all 1CISP employees and member cooperatives for your 2021 Annual General Assembly.

### Ben Telfer

Co-ordinator of ICMIF Young Leaders and Vice-President, Business Intelligence, International Cooperative and Mutual Insurance Federations (ICMIF)



**INTERNATIONAL CO-OPERATIVE ALLIANCE  
ASIA AND PACIFIC**

**BALASUBRAMANIAN  
IYER**

**Regional Director**

**1CISP 47th Virtual General Assembly**

Dear President. Roy. S Miclat,

On behalf of the International Cooperative Alliance Asia and Pacific (ICA-AP), let me congratulate you and the 1CISP community on the occasion of its 47<sup>th</sup> Virtual General Assembly! I commend 1CISP on choosing, "Reaching out to the grassroots through digitization," as the theme this year!

The COVID-19 pandemic has, in the Philippines and the rest of the world, taken away lives, disrupted livelihoods, damaged businesses, and changed the way we lead our lives. One area where change is most visible is, technology. Both companies and consumers have seen rapid shift in adoption of technology to meet, shop, communicate, transact and entertain. The shift is not temporary but long lasting. Cooperatives have also had to adopt and adapt; and in order to stay competitive in this changed landscape, there is need to strengthen link between members at the grassroots through new strategies and practices.

Digitizing grassroots can overcome physical constraints, provide efficient services and save costs, increase portfolio of offerings, enhance member participation, and boost collaboration among cooperatives. Digitizing grassroots requires a 360 degrees approach which looks at hardware, connectivity, digital learning, local solutions and more importantly for all cooperatives to adopt and to work together. "Effective digitization of the grassroots will be key for the success of Digital Cooperatives."

ICA attaches high regard to 1CISP for its support to cooperatives, ready participation in ICA activities, and support whenever we have required!

I wish the 47<sup>th</sup> General Assembly all success!

Balasubramanian Iyer  
Regional Director



## 1 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES LIFE AND GENERAL INSURANCE

# REV. FR. ANTONIO CECILIO T. PASCUAL

1CISP Chairperson

Our dear shareholders,

Greetings of peace and good health!

On behalf of 1 Cooperative Insurance System of the Philippines Life and General Insurance (1CISP), a great and blessed day to all as we celebrate our 47<sup>th</sup> Annual General Assembly.

Year 2020 has been one of the most difficult year due to unexpected situations and challenges that we faced – the eruption of Taal Volcano, the COVID-19 pandemic that we have been experiencing until now and the two severe typhoons (Typhoon Rolly and Ulysses) that swept through Luzon. On a brighter side, these unforeseen events forced the majority of our countrymen to be able to adapt to new realities – to new normal.

Despite the COVID-19 pandemic and severe storms that have come in 2020, 1CISP is truly blessed as we produced an insurance gross premium of P1.2 billion with a net surplus of P294 million. Our total paid-up capital also reached the amount of P1.8 billion having a total asset of P3.6 billion. These are the results of your high trust and confidence to our cooperative.

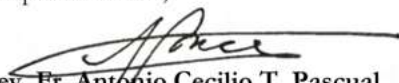
Our Cooperative was able to survive and thrive during this time of crisis. With all the challenges, we will continue to look for opportunities to deliver our new mission, **“A viable and socialized cooperative insurance service that protects and empowers Filipinos especially those who have less in life”** and commit with our new vision, **“To insure three million Filipinos by 2025.”**

Moving forward with our new mission and vision, it is high time that we pilot this year’s GA theme: **Reaching Out to the Grassroots Through Digitalization**. Let’s digitally face 2021 together with the spirit of cooperativism and towards a strong movement. This is going to be a year of transition. We cannot stay fixated on the challenges of 2020, rather we need to shift and secure the future of our cooperative. Let’s thrive together!

Let’s continue to pray for God’s healing, protection and deliverance. Let’s get vaccinated as soon as possible to end this pandemic. “John 16, 33: In the world, you will have difficulties. But have confidence: I have overcome the world.”

God bless you and your family. And God bless 1CISP! A prosperous Philippines is a cooperative Philippines.

In opus ministerii,

  
Rev. Fr. Antonio Cecilio T. Pascual  
1CISP Chairperson



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**MINUTES OF THE MEETING**  
**1CISP 46<sup>TH</sup> ANNUAL GENERAL ASSEMBLY**  
**Held on July 25, 2020 via Zoom App**

**Attendees:**

1. 1CISP Member-Shareholders
2. Board of Directors
3. Cooperative Officers
4. Committee Members
5. Management and Staff
6. Sales and Marketing Team
7. External Auditors and guests

**PART I - REGISTRATION**

- A. Registration of participants started at 7:00 a.m.

**PART II – OPENING CEREMONIES**

- A. Opening Prayer led by Fr. Antonio Cecilio T. Pascual, 1CISP Board of Director
- B. National Anthem (AVP and music-guided)
- C. Cooperative Pledge led by Ms. Anna Marin B. Crisolo, 1CISP MIS Head/Board Secretariat.
- D. Singing of 1CISP Hymn (AVP and music-guided)
- E. Acknowledgement of 1CISP member-shareholders, board of directors, cooperative officers, committee members, management and staff, sales and marketing team and guests.
- F. Presentation of House Rules (AVP and music-guided)

**PART III – BUSINESS PROPER**

**I. CALL TO ORDER**

Chairperson BGen. Teodoro P. Evangelista AFP (Ret), called the meeting to order at 09:15a.m.

**II. PROOF OF DUE NOTICE**

As proof of due notice, Co-operative Secretary, Atty. Lyman A. Manzanares informed the general assembly that pursuant to Article VI Section IV of the 1CISP By-Laws, the notice for the annual general assembly together with the agenda, minutes of the meeting of the last GA and e-copy of annual reports were sent electronically to member-shareholders on July 14, 2020, ten (10) days prior to the virtual general assembly meeting.

53 **III. DETERMINATION OF QUORUM**

54  
55 Atty. Manzanares certified that 1CISP is compliant with Article VI Section VI of the By-Laws  
56 wherein out of 417 member-shareholders representing 16,360,509 shares, there are 42  
57 member-shareholders present representing 12,804,682 shares which is equivalent to 78% of  
58 the total capital shares of 1CISP. Accordingly, a quorum was present to hold the 46<sup>th</sup> Annual  
59 General Assembly. (See Annex A – List of Cooperatives present during determination of  
60 quorum)

61  
62 **IV. APPROVAL OF THE AGENDA FOR THE 46<sup>TH</sup> ANNUAL GENERAL**  
63 **ASSEMBLY**

64  
65 No other comments or questions were raised therein. Thus, Mr. Garibaldi O. Leonardo of  
66 Cooperative Health Management Federation, moved for the approval of the agenda, duly  
67 seconded by Ms. Maria Corazon E. Vispo of Basud Development Cooperative. Thus, the  
68 following Resolution was adopted, to wit:

69  
70 **G.A. RESOLUTION NO. 01 S. 2020**

71  
72 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED** that the agenda  
73 of today's 46<sup>th</sup> Annual General Assembly/Shareholders Meeting of  
74 1 Cooperative Insurance System of the Philippines Life and General  
75 Insurance (1CISP) dated July 25, 2020, as presented,

76  
77 **BE, AS IT IS HEREBY, APPROVED.**

78  
79 **V. PRESENTATION OF ELECTION GUIDELINES**

80  
81 Mr. Danilo M. Capili, ELECOM Chairperson, informed the general assembly that a copy of  
82 the election guidelines was sent electronically prior to the meeting. He presented the  
83 addendum to the election rules and recommended to the general assembly the adoption of  
84 the said addendum, as follows:

85  
86 **Rules on Protests:**

- 87  
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91
1. Only written protests will be entertained and should be duly received within 5 calendar days after the conduct of elections.
  2. The ELECOM must act upon the written protest within 15 days upon receipt.
  3. Due process shall be observed at all times.

92 After the presentation, Mr. Mario F. Jaraula of Amoros Farmers MPC, moved for the  
93 adoption of the addendum to the election guidelines. However, there have been questions  
94 raised from the body.

95  
96 **Questions:**

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103
1. Mr. Isagani B. Daba of First Community Cooperative asked from the ELECOM – would it be fair enough if acceptance of candidates be done one month before the assembly and ELECOM will announce it to all the members specifying if there are questions as to the character of a certain candidate? Then, members may raise it before finalizing the approval?
  2. Mr. Isagani B. Daba commented that it will be unfair to the candidates if the addendum to the election guidelines is adopted. He said that if the application for candidacy is



104 already processed and approved by the ELECOM, can the committee also overturn the  
105 decision of the general assembly?

- 106 3. Mr. Isagani B. Daba asked what if the ELECOM will decide one way or the other, and  
107 the party complaining is not satisfied with the decision, what actions shall be taken?
- 108 4. Ms. Susan P. Ybanez of Consolidated Cooperative Bank asked the ELECOM if is it  
109 appropriate to make an addendum to the election guidelines on the day of the general  
110 assembly. She also added that the addendum may be implemented on the next general  
111 assembly since it will be unfair to the winning candidate if he/she will be contested  
112 afterwards. She also stated that protest should be done before the election.

113  
114 **Discussions:**

- 115 1. Mr. Capili said that the proposed addendum to the election guidelines is to complete the  
116 process whenever there is a protest and it is in accordance with the By-Laws. He assured  
117 that if the addendum is adopted, fairness will be practiced by the ELECOM and due  
118 process will be observed at all times. He also said that the addendum is to resolve issues  
119 and conflicts first within 1CISP and protest can be done before or after the election.
- 120 2. Mr. Capili replied that the ELECOM may overturn the decision/votes of the general  
121 assembly.
- 122 3. Mr. Capili stated that the issue/protest maybe elevated to the higher governing body,  
123 the Cooperative Development Authority (CDA) if the decision of the ELECOM is  
124 unfavorable to involved parties.
- 125 4. Atty. Manzanares was requested to expressed his opinion by the ELECOM on the issue.  
126 Atty. Manzanares explained that based on rule 7 of 9520 and 1CISP By-Laws, election-  
127 related controversies are handled by the Election Committee and have the ability to  
128 decide. The final arbiter is the Election Committee. He further mentioned that either of  
129 the involved parties can go directly to the CDA. The general assembly only elects the  
130 board of director. However, election-related cases are definitely different issue. And as  
131 far as the legal is concern, they have expressed their opinion on the issue due to the fact  
132 that the addendum to the election guidelines is for general application and not for a  
133 particular case. Due process will be observed if the addendum will be considered.

134  
135 Mr. Eduardo G. Martinez of Bukidnon Community Cooperative commented that the  
136 questions/discussions had already prolonged the proceedings. He said that the approved  
137 agenda are the only items to be discussed and no additional topics (ie. addendum) should be  
138 presented during the assembly.

139  
140 Upon due deliberation, Ms. Marcosa B. Dela Cruz of Surallah North District Public School  
141 Teachers MPC, moved for the approval of the addendum to the election guidelines, duly  
142 seconded by Ms. Marites M. Bartolome of Mariveles Public Market Development  
143 Cooperative. But there has been an objection from Mr. Jaysan Ray N. Chee of Xavier  
144 University Community Credit Cooperative. Thus, the ELECOM Chairperson declared a  
145 division of the house.

146  
147 Casting of votes done thru google form and link was shared via zoom chatbox. After which,  
148 the ELECOM announced the voting results, as follows:

149  
150 Voting results on the approval of the addendum to the election guidelines:

- 151 ' In favor – 455,444 shares votes
- 152 ' Not favor – 1,086,178 shares votes

153  
154 Therefore, the addendum to the election guidelines was disapproved.

155

156 VI. ELECTION PROPER

157

158 ELECOM Chairperson, Mr. Danilo M. Capili turned over the floor to Mr. Frederico A.  
159 Blanco, ELECOM Secretary, for the election proper. Mr. Blanco announced the election  
160 for the following vacant positions:

- 161 ' 4 Regular Members of the Board of Directors
- 162 ' 2 Members of the Election Committee
- 163 ' 2 Members of the Audit and Inventory Committee

164

165 **For Regular Members of the Board of Directors:**

166

167 Name of Candidates	Cooperative Represented
168 1. Mr. Roberto C. Mascariña	Barangka Credit Cooperative
169 2. BGen. Lorenzo R. Sumicad AFP (Ret)	ACDI Multipurpose Cooperative
170 3. Mr. George J. Pupa	USPD Savings and Credit Cooperative
171 4. Mr. Isagani B. Daba	First Community Cooperative

172

173 **For Audit & Inventory Committee:**

174

175 Name of Candidates	Cooperative Represented
176 1. Ms. Wilma L. Gidaya	Immaculate Conception Parish Development Cooperative
177 2. Mr. Jaysan Ray N. Chee	Xavier University Community Credit Cooperative
178 3. Mr. Jerson S. Remo	Silangan MPC

179

180 **For Election Committee:**

181

182 Name of Candidate	Cooperative Represented
183 1. Mr. Danilo M. Capili	Parole & Probation Administration MPC

184

185 Notes:

- 186 1. All candidates were given chance to introduce themselves to the general assembly.
- 187 2. A video presentation of the voting system was presented to the general assembly.
- 188 3. Voting link was shared and sent via zoom chatbox.
- 189 4. Proclamation of winners was announced after the acknowledgement of top premium
- 190 contributors.

191

192  
193 VII. APPROVAL OF MINUTES OF THE MEETING OF THE 45<sup>TH</sup> ANNUAL  
194 GENERAL ASSEMBLY MEETING

195

196 Considering that the minutes of the meeting of the 45<sup>th</sup> Annual General Assembly was sent  
197 in advance to member-shareholders, Ms. Marilou R. Llavan of San Jose MPC moved for the  
198 dispensation of the reading of the minutes, duly seconded by Mr. Jaysan Ray N. Chee of  
199 Xavier University Community Credit Cooperative. Thus, the following Resolution was  
200 approved, to wit:

201

**G.A. RESOLUTION NO. 02 S. 2020**

202

203 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED,** that the  
204 member-shareholders approve the dispensation of the reading of the  
205 minutes of the meeting of the 45<sup>th</sup> Annual General Assembly, as presented,

206

207 **BE, AS IT IS HEREBY, APPROVED.**

208 No further corrections or other comments were raised therein. Consequently, Ms. Marilou  
209 R. Llawan of San Jose MPC, moved for the approval of minutes of the meeting of the 45<sup>th</sup>  
210 Annual General Assembly, duly seconded by Ms. Elizabeth G. Gabutin of Guadalupe  
211 Community MPC. Thus, the following Resolution was adopted, to wit:

212  
213 **G.A. RESOLUTION NO. 03 S. 2020**

214  
215 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that the  
216 member-shareholders approve the minutes of the meeting of the 45<sup>th</sup>  
217 Annual General Assembly, as presented,

218  
219 **BE, AS IT IS HEREBY, APPROVED.**

220  
221 Note: There is no other matters arising from the minutes of the meeting.

222  
223 **VIII. CONFIRMATION OF THE BOARD RESOLUTIONS FOR YEAR 2019**

224  
225 Atty. Manzanares informed the General Assembly that the acts of the Board of Directors  
226 are expressed in Board Resolutions that they promulgated, starting with resolution number  
227 001 dated January 25, 2019 and ended with board resolution number 215 dated December  
228 18, 2019, for a total of 215 board resolutions.

229  
230 There are approximately eighteen (18) board resolutions per month. Summarized as follows:

- 231 • 20 Solidarity and membership resolutions
- 232 • 26 Strategic, governance, legal and rules resolutions
- 233 • 20 Property-related resolutions
- 234 • 20 Project resolutions
- 235 • 70 Operations, finance and admin resolutions
- 236 • 12 Training and development and research resolutions
- 237 • 27 Cooperative investment, deposits and support resolutions
- 238 • 13 HR, marketing and incentive resolutions
- 239 • 7 Designation resolutions

240  
241 Accordingly, Mr. Rogelio G. Decal of Safer Credit Cooperative, moved for the approval of  
242 the Board Resolutions for year 2019, duly seconded by Ms. Virgie D. Silawan of Samal Island  
243 MPC. Thus, the following Resolution was approved, to wit:

244  
245 **G.A. RESOLUTION NO. 04 S. 2020**

246  
247 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that all  
248 Resolutions adopted and/or approved by the Board of Directors for  
249 Calendar Year 2019, as presented,

250  
251 **BE, AS THEY ARE HEREBY, APPROVED.**

252  
253 **IX. APPROVAL OF ANNUAL REPORTS**

254  
255 **A. Joint Report of the Board of Directors and Management for 2019**

256  
257 With the aid of audio-visual presentation, a decade report was presented to the general  
258 assembly. Its full text was included in the Annual Report, highlights of which are as follows:

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## **Ten-Year Review of the Organization**

- In 2010, 1 CISP was a home to 61 employees. It was also in the same year when the first area office in Region 3 was inaugurated in Pampanga.
- In 2011, the number of employees has increased to 84. The Davao City Area Office was inaugurated to keep focus on the growing business in Mindanao. 1CISP was once again recognized by the Insurance Commission as one of its Microinsurance partners and providers.
- In 2012, From 84, the number of employees was reduced to 80 as 1CISP has faced one of its biggest challenges in capital deficiency. Yet in this year, the organization still managed to secure approval for its 4 new products.
- In 2013, the capital has been written down. 1 CISP paid the employees who resigned, retired and got separated from the organization due to financial loss. These event brought down the number of employees from 80 to 33.
- After 2 years of consecutive losses, 1 CISP proves that good intentions can never go wrong as it made a huge turn-around in the year 2014. This was justified by the P62.02million net surplus with a dividend rate of 13%. The organization had 39 employees at the time.
- In 2015, as its net surplus continued to increase as well as its number of employees, 1CISP took part in the celebration of the Philippine Cooperative Centennial Year at the Philippine Trade Training Center as one of the major sponsors.
- In 2016, 1CISP gave focus on the training of its employees by participating in the Technical Working Group on Distribution Channels & Consumer Protection for Microinsurance. 1CISP's 42nd Annual General Assembly was held in Cebu. Eight CSR activities were also conducted.
- In 2017, 1CISP participated in 7 (seven) international trainings and for the first time in 1CISP history, the team building happened in Hong Kong.
- Year 2018 has brought many changes in the organization.
  - 1CISP secured its license from the Insurance Commission to operate as Life and General Insurance.
  - 1CISP amended its name to 1 Cooperative Insurance System of the Philippines Life and General Insurance or 1CISP.
  - 1CISP rebranded its logo which signifies the six pillar.
  - 1CISP launched three (3) trailblazing projects: Coop Kicks, 1 Koop Leaders Academy and 1 Koop Mart.
  - 1CISP shared its new advocacy: “A Prosperous Philippines is a Cooperative Philippines.”
  - 1CISP's 44th Annual General Assembly was conducted for 2 days in Pampanga with the theme, "Leadership and Innovation: Sustaining Growth, Empowering Communities.”
  - 1CISP's second international team building was held in Bangkok, Thailand.
  - 1CISP became a platinum sponsor in the 14th National Cooperative Summit

## **Ten-Year Financial Highlights, 2010-2019**

From its ups and downs, 1CISP is more than grateful that in the year 2019, it has recorded another milestone as it breached its three-billion peso mark in assets in the fourth quarter of 2019. The total assets at the end of 2019 has reached P3.20 billion, a hefty 34.6% increase from previous year's 2.57billion.

1CISP ended 2019 with a record-high growth in terms of gross premiums. For the first time in the coop's financial history, the first billion-peso mark in gross premiums has been

312 recorded in the amount of 1.20B. This only shows the continued trust and confidence of  
313 the members in the fastest-growing insurance cooperative in the country.

314  
315 This year has also seen a rise in brand loyalty, where the members felt engaged and they also  
316 helped in our insurance campaigns. This is proven by the 267 new cooperatives which  
317 represents the 115% membership growth. 1CISP enters the Year 2020 with a total of 3,467  
318 member-cooperatives all over the country.

319  
320 On the same year, 1CISP has paid 13,048 number of claims in Life Division and 625 in Non-  
321 life Division. A total amount of P371.41M amount of claims was released for both Life and  
322 Nonlife.

323  
324 Another milestone for 1CISP for the Year 2019 was the inauguration of its branch office in  
325 Cagayan De Oro. This aims to bring a more efficient and effective service to coop-members  
326 in Mindanao.

### 327 328 **Human Resource Development**

- 329  
330 · 1CISP has embraced its diverse workforce. 1CISP's manpower is composed of 34.20%  
331 male, 64% female, and 1.80% from the LGBTQ community. 73.50% of 1CISP's  
332 manpower represents the millennial generation, 12.40% in Generation X, 8% in  
333 Generation Z and 6.1 % in Baby Boomers.
- 334 · To further enhance the capacity development of its employees, 1CISP implemented a  
335 comprehensive and holistic program that is expected to enhance the skills and capabilities  
336 of its personnel. A total of 42 local and 13 international trainings, seminars, workshops,  
337 and conferences were attended by the Board of Directors, top management, department  
338 managers, supervisors, rank and file personnel, and marketing team, to update and  
339 upgrade their knowledge and proficiencies to contribute to operational excellence.
- 340 · 1CISP also offers a fun and engaging work environment to motivate their employees,  
341 marketing personnel, Board of Directors and committees to be more productive and  
342 efficient.

### 343 344 **Customer Service Associate**

345  
346 As a way of giving back to the communities, 1CISP has conducted 32 Corporate Social  
347 Responsibilities in the past 10 years and 2.67M sponsorships across the region.

### 348 349 **Linkages and Networks**

350  
351 Over the years, 1CISP has also established strong partnerships with various local and  
352 international organizations to be more effective in providing the needs of its members.

353  
354 All the accomplishments for the past ten years were products of the continuous guidance of  
355 the Board of Directors and Senior Management, dedication and commitment of the  
356 employees and the unending support from its members.

### 357 358 **Question:**

- 359 1. Mr. Rogelio G. Decal of Safer Credit Cooperative said that the Joint Report was a good  
360 presentation of the performance of 1CISP from 2010 up to 2019. However, he asked  
361 how would the three (3) bottom-line (people, profit, community participation) affected  
362 by the pandemic and how 1CISP address the challenges for this year and for the coming  
363 years.

364 **Discussion:**

- 365 1. Chairperson BGen. Evangelista said that all businesses nowadays are really affected by  
366 the pandemic. But some organizations are able to maintain its stability during this time.  
367 He shared to the general assembly that 1CISP's liquidity is remarkable and very  
368 compliant with the capital requirement. 1CISP even gave a 2-months extension loan  
369 coverage to its patronizing members. The profitability for the year will probably affected  
370 but compare to other industries/competitors, 1CISP is well ahead of the competition.  
371 Also, a recovery plan will be presented to the general assembly.  
372

373 Consequently, Mr. Gil C. Gilot of PERA MPC, moved for the approval of the Joint Report  
374 of the Board of Directors and Management detailing the results of 1CISP's operation for  
375 year 2019, duly seconded by Nicolas M. Valentin of Barbaza MPC. Thus, the following  
376 Resolution was approved, to wit:

377  
378 **G.A. RESOLUTION NO. 05 S. 2020**

379  
380 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that the Joint  
381 Report of the Board of Directors and Management detailing the results of  
382 1CISP's operation for the Year 2019, as presented and discussed,

383  
384 **BE, AS IT IS HEREBY, APPROVED.**

385  
386 **B. Audited Financial Statement for 2019**

387  
388 With the aid of powerpoint presentation, the Audited Financial Statement (AFS) as of  
389 December 31, 2019 was presented to the general assembly by EVP/COO Cecilia M. Laguna.  
390 Its full text was included in the Annual Report, highlights of which are as follows:  
391  
392

**Statement of Financial Condition**

ACCOUNTS	2019	VA	2018	VA	Inc. (Dec.)
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	P1,598,897,904	48.94%	P 1,074,142,094	41.88%	48.85%
Short-term Investments	273,054,311	8.36%	464,440,558	18.11%	-41.21%
Insurance Receivables	73,990,079	2.26%	51,909,947	2.02%	42.54%
Reinsurance Assets	71,529,266	2.19%	40,179,634	1.57%	78.02%
Financial Assets at cost	38,780,000	1.19%	71,861,549	2.80%	-46.04%
Financial Assets at amortized cost	125,111,904	3.83%	56,342,251	2.20%	122.06%
Financial Assets at FV through P&L	42,762,032	1.31%	24,167,226	0.94%	76.94%
Loans and Receivables	89,849,762	2.75%	93,944,520	3.66%	-4.36%
Other Current Assets	27,583,174	0.84%	12,071,616	0.47%	128.50%
<b>Total Current Assets</b>	<b>P2,341,558,432</b>	<b>71.67%</b>	<b>P1,889,059,395</b>	<b>73.64%</b>	<b>23.95%</b>
<b>Noncurrent Assets:</b>					
Financial Assets at amortized cost	P 148,701,751	4.55%	P 187,903,093	7.33%	-20.86%
Financial Assets at cost	228,209,465	6.98%	72,113,062	2.81%	216.46%
Loans Receivables	294,959,936	9.03%	319,810,785	12.47%	-7.77%
Property and Equipment					
At revalued amount	43,677,083	1.34%	37,745,746	1.47%	15.71%
At cost	182,436,101	5.58%	36,370,862	1.42%	401.60%
Advances to Contractors	27,703,174	0.85%	22,086,188	0.86%	25.43%

ACCOUNTS	2019	VA	2018	VA	Inc. (Dec.)
<b>Total Noncurrent Assets</b>	<b>925,687,510</b>	<b>28.33%</b>	<b>676,029,736</b>	<b>26.36%</b>	<b>36.93%</b>
<b>TOTAL ASSETS</b>	<b>P3,267,245,942</b>	<b>100%</b>	<b>P2,565,089,131</b>	<b>100%</b>	<b>27.37%</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>					
<b>Current Liabilities:</b>					
Insurance Contract Liab.	611,886,808	18.73%	423,132,847	16.50%	44.61%
Due to Re-insurers	83,716,586	2.56%	29,935,663	1.17%	179.66%
Dividend and Patronage Refund Payable	298,994,223	9.15%	229,898,307	8.96%	30.05%
Loans Payable	130,000,000	3.98%	-	0.00%	
Other Current Liabilities	<u>291,775,315</u>	<u>8.93%</u>	<u>168,096,442</u>	<u>6.55%</u>	<u>73.58%</u>
<b>Total Current Liabilities</b>	<b>1,416,372,932</b>	<b>43.35%</b>	<b>851,063,259</b>	<b>33.18%</b>	<b>66.42%</b>
<b>Noncurrent Liability:</b>					
Retirement Liability	<u>15,624,906</u>	<u>0.48%</u>	<u>7,729,472</u>	<u>0.30%</u>	<u>102.15%</u>
<b>TOTAL LIABILITIES</b>	<b>P1,431,997,838</b>	<b>43.83%</b>	<b>P858,792,731</b>	<b>33.48%</b>	<b>66.75%</b>
<b>Members' Equity:</b>					
Share Capital	P 1,646,168,400	50.38%	P 1,262,740,100	49.23%	30.36%
Deposit for Share Capital Subscription	-		287,894,966	11.22%	-100.00%
Contributed Surplus	85,298	0.00%	85,298	0.00%	0.00%
Revaluation Surplus	12,081,337	0.37%	6,150,000	0.24%	96.44%
<b>Statutory Funds:</b>					
General Reserve Fund	110,553,058	3.38%	81,862,037	3.19%	35.05%
Optional Fund	32,567,166	1.00%	29,698,064	1.16%	9.66%
Cooperative Education and Training Fund	20,094,485	0.62%	20,952,346	0.82%	-4.09%
Community Development Fund	13,698,360	0.42%	16,913,589	0.66%	-19.01%
<b>Total Equity</b>	<b>1,835,248,104</b>	<b>56.17%</b>	<b>1,706,296,400</b>	<b>66.52%</b>	<b>7.56%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P3,267,245,942</b>	<b>100%</b>	<b>P2,565,089,131</b>	<b>100%</b>	<b>27.37%</b>
<b>REVENUE:</b>					
Gross Premium Written	P 1,234,337,280	117.96%	801,214,096	113.88%	54.06%
Reinsurer's Share on Gross Premiums Written	<u>(162,492,629)</u>	<u>-15.53%</u>	<u>(84,736,421)</u>	<u>-12.04%</u>	<u>91.76%</u>
<b>Net Insurance Premium Written</b>	<b>1,071,844,651</b>	<b>102.43%</b>	<b>716,477,675</b>	<b>101.84%</b>	<b>49.60%</b>
<b>Change in:</b>					
Reserve for Unearned Premiums	(31,215,566)	-2.98%	(21,309,790)	-3.03%	46.48%
Deferred Re-insurance Premiums	<u>5,745,412</u>	<u>0.55%</u>	<u>8,367,827</u>	<u>1.19%</u>	<u>-31.34%</u>
<b>Net Insurance Premiums Earned</b>	<b>1,046,374,497</b>	<b>100.00%</b>	<b>703,535,712</b>	<b>100.00%</b>	<b>48.73%</b>
Interest Income	59,425,499	5.68%	38,845,291	5.52%	52.98%
Other Income	<u>8,440,416</u>	<u>0.81%</u>	<u>3,783,227</u>	<u>0.54%</u>	<u>123.10%</u>
<b>NET REVENUE</b>	<b>P 1,114,240,412</b>	<b>106.49%</b>	<b>746,164,230</b>	<b>106.06%</b>	<b>49.33%</b>
<b>BENEFITS, CLAIMS AND EXPENSES:</b>					
Benefits and Claims Expenses	P 371,408,979	35.49%	P 247,156,033	35.13%	50.27%
Collection Costs	109,589,356	10.47%	64,356,866	9.15%	70.28%

ACCOUNTS	2019	VA	2018	VA	Inc. (Dec.)
Salaries and Benefits	100,355,768	9.59%	59,035,907	8.39%	69.99%
Increase in Reserves for Life Policies	85,100,000	8.13%	67,300,000	9.57%	26.45%
Commission Expense	79,597,928	7.61%	50,842,149	7.23%	56.56%
General and Administrative Expenses	69,583,891	6.65%	36,894,346	5.24%	88.60%
Interest Expense	6,649,482	0.64%	-	0.00%	
Depreciation Expense	5,044,795	0.48%	4,500,682	0.64%	12.09%
	827,330,199	79.07%	530,085,983	75.35%	56.07%
<b>NET SURPLUS</b>	<b>P 286,910,213</b>	<b>27.42%</b>	<b>P 216,078,247</b>	<b>30.71%</b>	<b>32.78%</b>

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**Question:**

1. Mr. Isagani B. Daba of First Community Cooperative asked if R&B is already merged with 1CISP. Is the investment of FICCO and R&B counted in the book of accounts of 1CISP?

**Discussions:**

1. Chairperson BGen. Evangelista said that the Board and Management are doing their best so that the transfer will be unquestionable and all legalities will be duly covered. However, 1CISP is waiting for the approval from Securities and Exchange Commission (SEC) and currently working on some legalities. Perhaps, the next set of Board will expedite the process. Nevertheless, there have been some transfer of funds of R&B to 1CISP to accommodate the members in patronizing non-life products but still accounted as liabilities in the book of accounts of 1CISP. The amount is placed in a time deposit to a universal bank with approximately 3-4.5% earning interest.
2. President Miclat explained that the transfer of funds or investment of R&B which is owned by First Community Cooperative, was stalled due to the objection of the CDA because in the 9520, they are invoking that merger among cooperative and corporation is not stated in the law. Thus, there is a need to get clarification from the SEC and Insurance Commission (IC) if it is allowed. Therefore, they will rule based on the agreement of the three (3) institutions (CDA, SEC, IC). Thus, the transfer of funds is stalled but portion of the funds is intended for infusion to 1CISP. Infusion coming R&B was made but it was accounted as liability in the portion of 1CISP because of potential violation in terms of regulatory and compliance issues.
3. President Miclat also mentioned that R&B has ceased operation and ended its corporate life in 2018. But 1CISP still have to comply with the regulatory issues from the SEC. 1CISP should inform SEC the ended operation of R&B. Therefore, merger of R&B and 1CISP would be faster – it was the solution offered by SEC and CDA – to dissolve R&B. But there’s no need now to dissolve because its operation was ended 2018. It will be more easier to transfer the assets and liabilities of R&B to 1CISP. President Miclat looked forward that the new Board will take the post in terms of uniting CDA, SEC and IC to accept the transfer of assets and liabilities within the year. He also mentioned that the Board of Directors of 1CISP did not opposed the transfer but they were hampered by regulatory and compliance issues.
4. Mr. Daba mentioned that the merger of FICCO MBA (which is a corporation) and 1CISP in the previous years was done smoothly. He believed that this can be done as well with the merger of R&B and 1CISP.

Consequently, Nicolas M. Valentin of Barbaza MPC, moved for the approval of the 2019 Audited Financial Statements, duly seconded by Ms. Virgie D. Silawan of Samal Island MPC. Thus, the following Resolution was approved, to wit:



G.A. RESOLUTION NO. 06 S. 2020

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the Audited Financial Statements of 1 Cooperative Insurance System of the Philippines Life and General Insurance (1CISP) for Calendar Year ended December 31, 2019, as presented to, and discussed by, the General Assembly,

BE, AS IT IS HEREBY, APPROVED.

**C. Approval of Budget for 2020**

With the aid of powerpoint presentation, the operating budget for calendar year 2020 was presented to the general assembly by EVP/COO Cecilia M. Laguna. Highlights of which are as follows:

**1CISP Life And General Insurance  
Operating Budget For 2020**

ACCOUNTS	ACTUAL 2019	VA	BUDGET 2020	VA	% INC (DEC)
<b>REVENUE:</b>					
Gross Premium	P1,234,337,280	115.16%	P1,117,700,000	114.74%	(9.44%)
Reinsurer's share	<u>(162,492,629)</u>	<u>(15.16%)</u>	<u>(143,600,000)</u>	<u>(14.74%)</u>	<u>(11.62%)</u>
Net Insurance Premium	1,071,844,651	100.00%	974,100,000	100.00%	(9.12%)
Investment Income	59,425,499	5.54%	39,900,000	4.10%	(32.85%)
Other Income	<u>8,440,416</u>	<u>0.79%</u>	<u>14,400,000</u>	<u>1.48%</u>	<u>70.62%</u>
<b>NET REVENUE</b>	<b>P1,139,710,566</b>	<b>106.33%</b>	<b>P1,028,400,000</b>	<b>105.57%</b>	<b>(9.76%)</b>
<b>BENEFITS, CLAIMS &amp; EXPENSES:</b>					
Increase in Legal Policy Reserves	110,570,154	10.32%	85,200,000	8.75%	(22.94%)
Benefits and Claims Expenses	371,408,979	34.65%	340,600,000	34.97%	(8.29%)
Total Reserves, Benefits & Claims	481,979,133	44.97%	425,800,000	43.71%	(11.65%)
Collection & Commission Expenses	189,187,284	17.65%	180,700,000	18.55%	(4.48%)
Compensation and Benefits	100,355,768	9.36%	123,200,000	12.65%	22.76%
Utilities Expenses	4,540,044	0.42%	6,500,000	0.67%	43.17%
Depreciation Expenses	5,044,795	0.47%	8,900,000	0.91%	76.41%
Postage, Telephone & Comm.	2,787,905	0.26%	3,800,000	0.39%	36.30%
Travelling Expenses	4,012,297	0.37%	5,100,000	0.52%	27.12%
Professional, Legal & Audit Fees	6,992,379	0.65%	8,400,000	0.86%	20.14%
Printing, Stationery and Supplies	2,737,297	0.26%	3,600,000	0.37%	31.53%
Officers' Honorarium	3,002,620	0.28%	5,300,000	0.54%	76.55%
Conferences & Sales Meetings	3,534,166	0.33%	3,700,000	0.38%	4.70%
Representation & Entertainment	1,881,935	0.18%	2,800,000	0.29%	48.78%
Membership Fees and Assoc. Dues	827,768	0.08%	1,500,000	0.15%	81.20%
Board Expenses	3,225,878	0.30%	3,500,000	0.36%	8.49%

ACCOUNTS	ACTUAL 2019	VA	BUDGET 2020	VA	% INC (DEC)
General Assembly Expenses	4,987,791	0.47%	2,800,000	0.29%	(43.87%)
Provisions for Loan Losses	20,000,000	1.87%	15,500,000	1.59%	(22.50%)
Advertising/Donation Expenses	3,026,102	0.28%	3,600,000	0.37%	18.97%
Business Development Expenses	529,200	0.05%	1,000,000	0.10%	88.96%
Interest Expense	6,649,482	0.62%	-	0.00%	-
General and Administrative Expenses	7,498,510	0.70%	2,700,000	0.28%	(63.99%)
	852,800,353	79.56%	808,400,000	82.99%	(5.21%)
<b>NET SURPLUS</b>	<b>P 286,910,213</b>	<b>26.77%</b>	<b>P 220,000,000</b>	<b>22.58%</b>	<b>(23.32%)</b>

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### Capital Outlay Budget For 2020

<b>Computer/IT Equipment</b>	<b>Amount</b>	<b>Qty</b>	<b>Total</b>
Desktop/Laptop	40,000.00		
Head Office (Vacant Position)		22	880,000.00
Branch Office		28	1,120,000.00
Printer	10,000.00		
Head Office		5	50,000.00
Branch Office		2	20,000.00
Regions		5	50,000.00
Router	10,000.00	3	30,000.00
Software for ICARD Integrated System			250,000.00
Projector	50,000.00	4	200,000.00
Sophos Cloud Endpoint Protection Adv. (Anti-virus)			200,000.00
Integrated Software (Branch Office & Non-Life)			5,000,000.00
Server	300,000.00		
Head Office		2	600,000.00
Branch Office		3	900,000.00
Sub-Total			44,300,000.00
<b>Office Equipment</b>	<b>Amount</b>	<b>Qty</b>	<b>Total</b>
Aircon (Inverter)	70,000.00		
Head Office		7	490,000.00
Branch Office		6	420,000.00
Regional Office		3	210,000.00
Emergency Light	5,000.00	11	55,000.00
Photocopying Machine			
Head Office		1	100,000.00
Branch Office		3	300,000.00
Sub-Total			1,575,000.00
<b>Office Furniture &amp; Fixtures</b>	<b>Amount</b>	<b>Qty</b>	<b>Total</b>
Head Office (for the new building)			25,000,000.00
Branch Office (for the newly renovated building)			3,000,000.00
Sub-Total			28,000,000.00

488	<b>Regional Offices</b>	<b>Amount</b>	<b>Qty</b>	<b>Total</b>
489	Clerical Office Chair w/ arm	3,000.00	14	42,000.00
490	Executive Chair w/ arm	4,000.00	14	56,000.00
491	Pedestal Cabinet Model	6,000.00	14	84,000.00
492	Cubicle Table	9,000.00	14	126,000.00
493	Steel Cabinet Brown	13,000.00	14	182,000.00
494	Visitor Chair Black Lobby	2,000.00	14	28,000.00
495	Folding Table	3,000.00	4	12,000.00
496	Records Cabinet OD:96 Hx42 Wx16D	21,000.00	14	294,000.00
497	Sub-Total			824,000.00
498				
499	<b>Building/Improvements</b>			<b>Amount</b>
500	Head Office (newly acquired land)			
501	Construction of Building(Balance)			155,000,000.00
502	Head Office (newly acquired land)			
503	Interior Designer			6,000,000.00
504	Branch Office (CDO)			
505	Minor Repairs			1,000,000.00
506	Branch Office (Davao)			
507	Land			5,000,000.00
508	Building Construction			15,000,000.00
509	Branch Office (Visayas)			
510	Land			5,000,000.00
511	Building Construction			15,000,000.00
512	Sub-Total			202,000,000.00
513				
514	<b>OVERALL TOTAL</b>			<b>276,699,000.00</b>

**Questions:**

1. Mr. Rogelio G. Decal of Safer Credit Cooperative commented that the previously raised concern on the profit is already answered thru the presentation of EVP/COO Laguna. However, some concerns were raised, as follows:
  - Why is there increase in the reinsurance?
  - Why is there increase in postage, telephone & communication?
  - Why is there increase in transportation considering the new normal?
  - Why is there increase in the honorarium? As per cooperative code, any increase will have to be approved by the general assembly.
  - Lastly, Mr. Decal concurred the budget as far as land-banking is concern wherein acquiring of building, land and office equipment are good investments.
2. Why is there increase in the compensation and benefit? – from Mr. Roger Ocaya of DMPI Employees Credit Cooperative.
3. Is the budget sent earlier along with the notice and audited financial statement? – from Ms. Susan P. Ybanez of Consolidated Cooperative Bank.
4. Is Mr. Decal an incumbent member of the Board of 1CISP? If he is, why is he raising those concerns? Was the budget not presented to the Board for its approval first before presenting it to the assembly? – from Mr. Eduardo Tan of Independent Cooperative Movement of Employees of Davao (INCOME Davao).

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**Discussions:**

1. President Miclat answered to the queries of Mr. Decal, as follows:
  - In terms of community participation and due to the current situation, 1CISP spent P3.5 million as response to the COVID 19 pandemic – P2.5 million of which is given to Philippine Cooperative Center (PCC) to administer the distribution of support to cooperative hospitals and other institutions; while P1 million is directly given to cooperative hospitals and other government hospitals in a form of medical supplies and equipment.
  - President Miclat mentioned that in terms of people – 1CISP maintained its manpower. All employees since the lockdown of March 16 until today who are working from home, are receiving full salaries and benefits while other organization are downsizing their manpower. 1CISP has been responsive in terms of the triple bottom-line, especially when it comes to organizational, governance and management.
  - President Miclat stated that 1CISP is currently discussing with CDA how to support the senior individual members of the cooperatives. 1CISP will be participating to insure 56-99 years old. A new product will be launched this August by 1CISP and CLIMBS.
  - President Miclat explained the increase in the budget for postage, telephone & communication: a) providing internet connection allowance for employees who work from home, b) increasing the band-width and capacity being used, and c) increasing the capacity of participants in zoom app. In terms of travelling expense, this was projected to increase when community quarantine is lifted in some areas. However, this can be reviewed by the next set of Board. In terms of honorarium, the increase is due to the projected non-monetary benefits such as liability and health insurance for the board of directors and shall be charged to board honorarium/expense. He said that the Board did not proposed any increase due to the current situation.
2. President Miclat explained that the increase in compensation and benefit is due to the opening of branches in Davao and Iloilo wherein additional manpower is required and will be deployed in the said branch offices.
3. Chairperson BGen. Evangelista said that the proposed budget was sent thru email 7 days before the assembly. He explained that the Board made a quick review on the original proposed budget and made some adjustments when the GA was scheduled and various board meetings were conducted just to rally the July 25 general assembly. The notice together with the budget were sent at [ccbiano@yahoo.com.ph](mailto:ccbiano@yahoo.com.ph) on July 14, 15 and 24. However, Chairperson BGen. Evangelista acknowledged the concern of Consolidated Cooperative Bank – to send the notice and other GA materials as early as possible before the general assembly.
4. Chairperson BGen. Evangelista clarified to the general assembly that Mr. Rogelio Decal was no longer a member of the board of directors of 1CISP. However, Mr. Decal's comments/questions are very valuable in terms of governance issue.
5. Mr. Garibaldi O. Leonardo of Cooperative Health Management Federation commented that the proposed budget could have been more appreciated by the assembly if it had been presented together with a quick presentation on plans and programs for 2020. Chairperson BGen. Evangelista acknowledged the comment of Mr. Leonardo and a recovery plan will be presented to the assembly.

Consequently, Mr. Roberto C. Mascarina of Barangka Credit Cooperative, moved for the approval of the aforesaid appropriations as presented and discussed, duly seconded by Mr. Ricardo S. Justol of SPMC Employees Credit Cooperative. Thus, the following Resolution was adopted, to wit:

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**G.A. RESOLUTION NO. 07 S. 2020**

**BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that the proposed Budget for Calendar Year 2020 as presented to, and deliberated on, by the General Assembly of 1 Cooperative Insurance System of the Philippines Life and General Insurance (1CISP),

**BE, AS IT IS HEREBY, APPROVED.**

**D. Audit Committee Report for 2019**

With the aid of powerpoint presentation, Ms. Wilma L. Gidaya, Chairperson of the Audit Committee, presented the report of the committee, stated as follows:

- We have examined the compliance to the industry standards of the 1 Cooperative Insurance System of the Philippines (1CISP) Life and General Insurance for the year ending December 31, 2019.
- Our responsibility is to render a report on the company’s compliance to said standards based on our examination.
- In our opinion, based on the report rendered by Reyes Tacandong & Co. and in accordance with the CDA CAPR and Social Audit, 1CISP obtained the following ratings for the year ending December 31, 2019.

<b>Reports</b>	<b>Rating</b>	<b>Report Rendered</b>
Financial Statements		Unqualified
CDA CAPR	Satisfactory	
CDA Social Audit	Very Satisfactory	
CDA Performance Audit	Satisfactory	

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- We conducted our examination in accordance with the CDA Cooperative Annual Progress Report (CAPR), the Guidelines on Social Audit of Cooperatives, ASEAN Corporate Governance Scorecard and the Audit Report rendered by Reyes Tacandong & Co.
- These standards require that we plan and perform the examination to ensure reasonable assurance about whether the 1CISP Life and General Insurance complies with the standards set by the governing/regulating agencies.
- The examination included validating the Cooperative Performance Report, accomplishing the Social Audit Questionnaires and calculating the points earned by the 1CISP Life and General Insurance based on parameters/criteria set forth under the CDA and Insurance Commission guidelines.
- We believe that our examination provided a reasonable basis to render a rating on the insurance company’s performance.
- This audit was conducted by the Audit and Inventory Committee:
  1. Wilma L. Gidaya, CPA – Chairperson
  2. Marites M. Bartolome, CPA – Secretary
  3. Joel L. Canuel – Member

No objection or question was raised therein. Consequently, Mr. Jerson S. Remo of Silangan MPC, moved for the approval of the report of Audit and Inventory Committee, duly seconded by Ms. Elizabeth G. Gabutin of Guadalupe Community MPC. Thus, the following Resolution was approved, to wit:

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**G.A. RESOLUTION NO. 08 S. 2020**

**BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that the report of the Audit and Inventory Committee on the financial and operations performances of 1CISP for Calendar Year 2019, as presented and discussed,

**BE, AS IT IS HEREBY ACCEPTED AND APPROVED.**

**E. Business Continuity & Recovery Plan for 2020**

With the aid of audio-visual presentation, the business continuity and recovery plan was presented to the general assembly. Its full text was included in the Annual Report, highlights of which are as follows:

The COVID-19 Pandemic’s economic impact has devastated numerous businesses all over the world. Operational limitations were imposed and services were abruptly halted. Although 1CISP has strategically solved the business continuity challenge amidst the pandemic, a recovery plan has to be set to ensure close to normal resumption of business operations by assessing the affected areas and utilizing the necessary tools to fully rehabilitate the cooperative.

**RECOVERY PLAN**

For the cooperative to recover, six (6) aspects of the business must be examined and focused on. These aspects were identified after data has been gathered from all departments using the template provided in the previous page. The following are the 6 aspects and their details:

**A. Timelines, Targets, & Plans**

- An organization-wide review of timelines must be conducted to assess the current status of the company’s undertakings and other matters with a set schedule.
- Targets must be reset to increase the organization’s flexibility to better address the its current and future needs, as well as its issues.
- In addition, plans and goals must be further reviewed and amended if necessary, to meet the set targets.

**B. Sales & Marketing**

- The organization must create strategies and implement activities that will fortify client trust and maximize the current partnerships we have established with other organizations.
- Aggressive promotion of brand, products, and services must be done through the use of technology including digital platforms to increase sales.
- The cooperative must strengthen its product development and sales force.

**C. Finance**

- The cooperative must adjust the budget and allot funds for business continuity.
- Cost-efficient measures must be implemented to further improve the coop’s financial status.
- Investment must be improved by establishing strategies that facilitate economic/financial gain.

691 **D. Organizational Processes**

- 692 † Organizational processes must be revised to adapt to the new normal.
- 693 † A catch-up plan must be developed and information-sharing must be enhanced to
- 694 further aid the organization in adapting to the new normal.
- 695 † Documentary requirements must be relaxed.

696  
697 **E. Information Technology**

- 698 † The core insurance system must be implemented.
- 699 † To safeguard data and other important information, back-ups must be done and
- 700 other protection methods must be employed.
- 701 † The 1CISP website must be upgraded and engagement with the digital platform
- 702 must be done.

703  
704 **F. Human Resources**

- 705 † The organization’s hiring process must be suspended until the end of the year. For
- 706 the worst-case scenario, retrenchment must be implemented.
- 707 † Employee’s capabilities must be maximized and engagement must be increased to
- 708 further aid in business recovery.
- 709 † Online trainings and employee support must be provided when necessary.

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711 **POST-RECOVERY PLAN**

712  
713 **Restructuring of the Business Continuity Plan**

714  
715 1CISP has already assembled a team for Disaster Recovery and Risk Management (DRRM

716 Team). This team will be in-charge of further strengthening the cooperative’s business

717 continuity plan, wherein the team can apply the experiences during this pandemic.

718  
719 **Decentralization of Department Functions**

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721 Looking at 1CISP as a whole, to decentralize simply means to grant autonomy and authority

722 to branches to make the operations-related decisions that usually only the Head Office

723 makes. This entails that branch offices will be the main decision-making body when it comes

724 to approvals needed for cooperatives within the major island group that the branch is located

725 in. For instance, Cagayan de Oro Branch will be the mother office of all the regional offices

726 in Norther Mindanao (Regions 9, 10, and 13) and will have authority to approve claims and

727 the like for the whole Northern Mindanao. The same goes for the Davao Branch, which will

728 be responsible for Regions 11, 12, and BARMM, and Visayas for Regions 6 to 8. The same

729 will be applied to Luzon branch offices in the future.

730  
731 **Advantages**

732  
733 One of the several advantages of having decentralized operations is that it allows for

734 organizational flexibility. Such quality allows for prompt decision-making and this is because

735 in a decentralized organization, decisions don’t have to undergo rigorous bureaucratic

736 review.

737  
738 Information-processing ability is considered an advantage as well. As an insurance

739 cooperative, 1CISP already collects a tremendous amount of information. Furthermore,

740 1CISP’s efforts in digitalization entails amassing a substantial amount of user data as well,

741 and “a centralized management simply cannot respond effectively to such information in a

742 timely manner.”

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Other advantages also include increased morale in employees as they are given autonomy and empowerment. In addition, decentralization allows for local insight. For instance, in Japan, Johnson & Johnson is run by locals as they are more able to manage and are more knowledgeable when it comes to marketing to their own people. Likewise, in 1CISP, the CDO Branch is able to communicate more effectively with those who are in Mindanao, and can understand better the market demands of the area, compared to the Head Office.

**Disadvantages and how they can be eliminated**

One of the disadvantages of decentralization mainly lies in one of the critical phases of the transition process: the implementation of change. Organizational changes may take a long time and require clear and accepted systems when it comes to making such changes. This may be particularly challenging for 1CISP during the COVID-19 Pandemic as there are limitations on mobility and operations.

In addition, coordination between teams is also considered a primary challenge for decentralized companies as the inability to collaborate effectively may lead to information silos.

It is apparent that decentralization comes with a couple disadvantages. The key is to create a robust inter-office IT (data management) system that could eliminate both the disadvantages identified. That is, having a system that could expedite the implementation of change and make it easier for employees to adapt to such change not only aids the transition process, but enables teams to collaborate effectively as well, which in turn, eradicates information silos. Fortunately, 1CISP’s IT team is more than capable of developing such a system.

Even more apparent is that even before the elimination of the disadvantages of decentralization, the advantages far more outweigh them as these said advantages directly address the operational challenges that 1CISP has been facing, which were exacerbated by the limitations consequent to the pandemic outbreak in the country.

No objection or question was raised therein. Hence, Ms. Magielyn M. Santarinala of Sacred Heart Parish Development Cooperative, moved for the approval of the Business Continuity and Recovery Plan, duly seconded by Mr. Rogelio G. Decal of Safer Credit Cooperative. Thus, the following Resolution was approved, to wit:

**G.A. RESOLUTION NO. 09 S. 2020**

**BE IT RESOLVED, AS IT IS HEREBY RESOLVED,** that the Business Continuity Plan and Recovery Plan, as presented and discussed,

**BE, AS IT IS HEREBY ACCEPTED AND APPROVED.**

**X. APPROVAL OF THE DISTRIBUTION OF NET SURPLUS FOR 2019**

With the aid of powerpoint presentation, President & CEO, Roy S. Miclat, presented the following allocation of net surplus for Calendar Year 2019, as follows:



795	<b>NET SURPLUS</b>		<b>286,910,213.00</b>	
796	General Reserve Fund	28,691,021.30		10.00%
797	Reserve for Educ. & Training	14,345,510.65		5.00%
798	Community Development Fund	8,607,306.39		3.00%
799	Optional Fund	<u>2,869,102.13</u>		1.00%
800			<u>54,512,940.47</u>	
801	<b>DISTRIBUTABLE SURPLUS</b>		<b>232,397,272.53</b>	<b>81.00%</b>
802				
803	<b>APPROPRIATIONS FOR DISTRIBUTABLE SURPLUS</b>			
804	Patronage Refund		23,239,727.25	10.00%
805	Experience Refund		<u>46,479,454.51</u>	20.00%
806	<b>Amount Available For Dividend</b>		<b>162,678,090.77</b>	<b>70.00%</b>
807				
808	<b>Dividend Rate:</b>			
809	For Preferred Shares		943,902.20	4.00%
810	For Common Shares		<u>161,734,188.57</u>	10.00%
811	<b>Total Dividend For Distribution</b>		<b>162,678,090.77</b>	
812	<b>Patronage &amp; Experience Refund Rate</b>			<b>6.66%</b>

No question or comment was raised on the proposed allocation of net surplus. Consequently, Mr. Frederico A. Blanco of San Francisco Government Employees MPC, moved for the approval of the aforesaid appropriations to be distributed to all qualified members of ICISP as presented and discussed, duly seconded by Mr. Isagani B. Daba of First Community Cooperative. Thus, the following Resolution was adopted, to wit:

**G.A. RESOLUTION NO. 10 S. 2020**

**WHEREAS**, as a result of the remarkable performance of 1 Cooperative Insurance System of the Philippines Life and General Insurance (ICISP) on its operation for Calendar Year 2019, its Audited Financial Statements recorded a net surplus of **Php 286,910,213.00**;

**WHEREAS**, the Board of Directors in its financial report to the General Assembly recommended for the approval of the Member-Shareholders, the allocation of net surplus which include statutory/mandatory reserves, land acquisition and building improvement and/or construction, patronage refund, experience refund and dividend for preferred and common shares,

**WHEREFORE, FOREGOING PREMISES CONSIDERED, BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that ICISP General Assembly approve the abovementioned distribution of net surplus as presented and discussed and the following appropriations for dividend, patronage refund, and experience refund for the year ended December 31, 2019, to wit:

	<b>Dividend Rate</b>			
841	For Preferred Shares:		943,902.20	4.00%
842	For Common Shares:		<u>161,734,188.57</u>	10.00%
843	Total Dividend For Distribution:		162,678,090.77	
844	<b>Patronage &amp; Experience Refund Rate:</b>			<b>6.66%</b>

**BE, AS IT IS HEREBY, APPROVED.**

847 **XI. APPOINTMENT OF THE NEW EXTERNAL AUDITOR FOR YEAR 2020**

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849 On the recommendation of the Audit & Inventory Committee, Ms. Maria Corazon E. Vispo  
 850 of Basud Development Cooperative, moved for the approval to appoint R.G. Manabat &  
 851 Co. as 1CISP's new external auditor for Calendar Year 2020, duly seconded by Ms. Marcosa  
 852 B. Dela Cruz of Surallah North District Public School Teachers MPC. Thus, the following  
 853 Resolution was adopted, to wit:

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855 **G.A. RESOLUTION NO. 11 S. 2020**

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857 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED,** that the  
 858 appointment of R.G. Manabat & Co. as 1CISP's new External Auditor for  
 859 Calendar Year 2020, as presented to the general assembly,

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861 **BE, AS IT IS HEREBY, APPROVED.**

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863 **XII. ACKNOWLEDGEMENT OF TOP PREMIUM CONTRIBUTORS**

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865 Ms. Gelizabeth DT. Cabuhat, 1CISP Marketing Development Specialist, presented the  
 866 1CISP Top Premium Contributors for year 2019, as follows:

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868 **For Small Scale Category - with assets below P100,000,000.00**

869 Prize for Top 1 – Brand New Toyota Avanza

870 Prizes for Top 2 to 4 – P50,000; Top 5 to 7 – P25,000; Top 8 to 10 – P15,000

871

No	Name of Cooperatives	Net Premium	Capital 2019	Interest on Capital	Patronage Refund	Experience Refund
1	Fastrack MPC	676,046.75	100,000.00	10,000.00	36,663.57	73,327.15
2	Dao MPC	577,554.57	381,796.24	34,327.48	31,322.11	62,644.23
3	Mariveles Public Market Development Cooperative	548,227.82	546,827.76	51,709.32	29,731.66	59,463.32
4	Tao Management Service & MPC	529,193.90	200,762.13	19,409.55	23,699.40	52,398.81
5	Calamba City Employees MPC	528,970.70	224,964.82	22,390.81	25,687.30	54,374.60
6	Zamboanga Social Welfare And Development MPC	504,973.85	220,000.00	22,000.00	17,385.90	44,771.79
7	Talibon Credit Cooperative	402,138.02	123,179.02	12,317.90	21,808.87	43,617.74
8	Capiz Provincial MPC	393,373.62	274,896.77	27,489.68	21,333.56	42,667.12
9	Bataan School of Fisheries Faculty and Staff MPC	390,012.77	69,146.40	6,914.64	21,151.29	42,302.58
10	ISUZU Philippines Corporation Employees MPC	373,166.63	80,000.00	8,000.00	20,237.69	40,475.37

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873 **For Medium Scale Category - with assets below P100,000,001.00 to P500,000,000.00**

874 Prize for Top 1 – Brand New Toyota Innova

875 Prizes for Top 2 to 4 – P50,000; Top 5 to 7 – P25,000; Top 8 to 10 – P15,000

No	Name of Cooperatives	Net Premium	Capital 2019	Interest on Capital	Patronage Refund	Experience Refund
1	Cooperative Health Management Federation	4,482,190.34	5,000,000.00	208,333.33	235,079.51	478,159.02
2	San Jose MPC	3,317,791.67	213,907.28	21,390.73	179,931.48	359,862.97
3	KoopKing MPC	2,567,093.87	12,486,097.26	1,131,097.78	139,219.41	278,438.83
4	Bohol Public School Teachers and Employees MPC	2,555,745.54	327,872.91	32,787.29	138,603.97	277,207.94
5	United Sugarcane Planters of Davao MPC	2,523,892.07	642,721.30	64,272.13	136,876.48	273,752.96
6	National Teachers and Employees Cooperative Bank	2,016,948.36	100,000.00	8,333.33	109,383.76	218,767.51
7	Pantukan Chess Club Cooperative	1,927,842.47	986,230.52	98,623.05	104,551.34	209,102.68
8	SCI Multi-Purpose Cooperative	1,033,636.30	1,093,163.49	60,111.60	56,056.48	112,112.96
9	Allen Municipal Officials and Employees MPC	854,489.84	1,186,914.08	75,982.77	43,340.95	89,681.90
10	Tadian MPC	761,115.25	5,646,788.35	505,389.90	41,277.03	82,554.07

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**For Large Scale Category - with assets above P500,000,000.00**

Prize for Top 1 – Brand New Toyota Hi-Ace

Prizes for Top 2 to 4 – P50,000; Top 5 to 7 – P25,000; Top 8 to 10 – P15,000

No	Name of Cooperatives	Net Premium	Capital 2019	Interest on Capital	Patronage Refund	Experience Refund
1	ACDI MPC	177,062,172.74	497,379,068.78	49,737,906.88	9,602,489.50	19,204,979.07
2	First Community Cooperative	128,338,023.57	604,832,266.80	59,851,478.15	6,950,066.65	13,910,133.35
3	Air Cavaliers Credit Cooperative	4,207,453.50	200,000.00	11,061.71	228,179.90	456,359.79
4	San Francisco Government Employees MPC	3,931,617.44	5,320,438.03	173,324.68	213,220.67	426,441.34
5	Kapalong Cooperative	3,731,677.72	275,821.84	27,582.18	202,377.48	404,754.96
6	Agdao MPC	2,502,321.41	29,027,095.60	2,077,709.56	130,706.65	266,413.31
7	Abra Diocesan Teachers and Employees MPC	2,327,016.30	996,595.17	99,659.52	126,199.45	252,398.91
8	Sta. Cruz Savings & Development Cooperative	1,883,997.30	1,205,059.61	96,740.98	92,173.51	194,347.03
9	BCS Credit Cooperative	1,731,014.59	4,149,510.28	414,950.89	93,876.91	187,753.82
10	USPD Savings and Credit Cooperative	1,643,711.47	4,314,689.50	431,468.95	89,142.26	178,284.52

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### XIII. PROCLAMATION OF WINNERS IN THE ELECTION

Mr. Blanco, ELECOM Secretary, announced the result of the election, as follows:

#### Regular Members of the Board of Directors:

<u>Name of Candidate</u>	<u>Votes Garnered</u>
1. Mr. Isagani B. Daba	7,615,311
2. BGen. Lorenzo R. Sumicad AFP (Ret)	4,202,062
3. Mr. Roberto C. Mascariña	889,726
4. Mr. George J. Pupa	770,666

#### Election Committee:

<u>Name of Candidate</u>	<u>Votes Garnered</u>
1. Mr. Danilo M. Capili	13,477,765

#### Audit & Inventory Committee:

<u>Name of Candidate</u>	<u>Votes Garnered</u>
1. Mr. Jaysan Ray N. Chee	7,349,972
2. Ms. Wilma D. Gidaya	3,321,744
3. Mr. Jerson S. Remo	2,806,049

(See Annex B – List of Cooperatives who voted during the election.)

Therefore, based on the foregoing, the following are hereby declared winners and will assume their post as **REGULAR MEMBERS OF THE BOARD OF DIRECTORS for a period of two (2) years**, to wit:

1. Mr. Isagani B. Daba
2. BGen. Lorenzo R. Sumicad AFP (Ret)
3. Mr. Roberto C. Mascariña
4. Mr. George J. Pupa

Therefore, based on the foregoing, the candidate stated below is hereby declared as winner and will assume his post as **MEMBER OF THE ELECTION COMMITTEE for a period of two (2) years**, to wit:

1. Mr. Danilo M. Capili

Therefore, based on the foregoing, the candidates stated below are hereby declared winners and will assume their post as **MEMBERS OF THE AUDIT & INVENTORY COMMITTEE for a period of two (2) years**, to wit:

1. Mr. Jaysan Ray N. Chee
2. Ms. Wilma D. Gidaya

After the proclamation of winners, Mr. Blanco turned over the floor to Chairperson BGen. Evangelista.

935 **XIV. NEW BUSINESS**

936

937 Chairperson BGen. Evangelista asked Atty. Manzanares if there are unfinished or new  
938 business. Atty. Manzanares stated that Fr. Antonio Cecilio T. Pascual, 1CISP Board of  
939 Director, mentioned a probable unfinished business. However, Fr. Pascual replied to defer  
940 the suggestions to the new set of directors.

941

942 **XV. CLOSING PRAYER**

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944 The general assembly meeting was concluded with an uplifting and inspiring words as 1CISP  
945 Treasurer, Ms. Leonila R. Medina representing Sacred Heart Parish Development  
946 Cooperative led the closing prayer.

947

948 **XVI. ADJOURNMENT**

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950 President Miclat thanked the coop-members for participating on the first virtual GA. He  
951 highlighted that the event could not be accomplished if not for the support of the Board of  
952 Directors, the management, the member committees and its partners. He thanked the Board  
953 of Directors led by Chairperson BGen. Evangelista in the last 6 years in steering 1CISP to  
954 what it is now. President Miclat thanked the outgoing Board of Directors for their untiring  
955 support to the Management and hoped that they will be back again serving 1CISP in one  
956 way or another to push the organization to its limits and serve more cooperators in the  
957 future.

958

959 On behalf of the members of the Board, Chairperson BGen. Evangelista also commended  
960 Dir. Bacani who had the longest stay in 1CISP as director and witnessed the ups and downs  
961 of the organization. He informed the general assembly that there are four (4) outgoing board  
962 including himself, Vice Chair Imelda S. Magabilen, Dir. Senen C. Bacani and Dir. Benjamin  
963 T. Que, who performed excellently including the rest of the Board.

964

965 Chairperson BGen. Evangelista welcomed the new set of Board led by Mr. Isagani B. Daba.  
966 He also expressed his appreciation to the management and the outsource provider on the  
967 success of the event. He also thanked all the cooperative leaders for taking their time to  
968 attend in the 1CISP's general assembly.

969

970 With no other matters to be discussed, Mr. Jasper Gelacio of INCOME Davao, moved for  
971 the adjournment, duly seconded by Ms. Marcosa B. Dela Cruz of Surallah North District  
972 Public School Teachers MPC. Thus, the assembly meeting was adjourned at 1:30 p.m.

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Certified True and Correct:



**ATTY. LYMAN A. MANZANARES**

Co-operative Secretary

Attested:



**FR. ANTON CT. PASCUAL**

1CISP Chairperson

**ICISP 2020 SUMMARY OF BOARD RESOLUTIONS**

<b>BR Number</b>	<b>Date Approved</b>	<b>ICISP Board Resolutions</b>
001 S. 2020	22 Jan 20	Approval of the agenda.
002 S. 2020	22 Jan 20	Approval of the minutes of the Board Meeting held on December 18, 2019.
003 S. 2020	22 Jan 20	Approval to accept the membership application of the following cooperatives for the month of December 2019 with a total paid up capital of P625,000.00: <ol style="list-style-type: none"> <li>1. Crystal Shipping Seaseed Credit Cooperative - P50,000.00</li> <li>2. Magic Multi-Purpose Cooperative - P500,000.00</li> <li>3. Imus Institute Multi-Purpose Cooperative - P25,000.00</li> <li>4. MMC Employees MPC - P50,000.00</li> </ol>
004 S. 2020	22 Jan 20	Approval of the allocation of P1 Million for the rehabilitation of the 1CISP twenty (20) member-cooperatives affected by the Taal volcano eruption.
005 S. 2020	22 Jan 20	Approval of P100,000.00 sponsorship to support the Cooperative Week event to be held on January 27-30, 2020 at the House of Representatives, Batasan Complex, Quezon City.
006 S. 2020	22 Jan 20	Approval of P100,000.00 as support to the relief operations of Philippine Cooperative Center to the Taal volcano eruption victims.
007 S. 2020	22 Jan 20	Approval allowing the Management to explore partnership with Malayan Insurance to develop 1CISP women's program and come up with a concept subject to Board approval.
008 S. 2020	22 Jan 20	Approval allowing the Management to discuss the parameters of the engagement with CashKo Insurance Brokerage and Ruralnet.
009 S. 2020	22 Jan 20	Approval of the renewal of contract of Ms. Shayne Rose Bulos for a period of one (1) year.
010 S. 2020	22 Jan 20	<ol style="list-style-type: none"> <li>1. Approval of the contract with Novotel as venue for the GA in the amount of P3.2 million;</li> <li>2. Authorization of the President/CEO, Roy S. Miclat, to sign the contract.</li> </ol>
011 S. 2020	22 Jan 20	Approval of the Management's recommendation for the annual report design.
012 S. 2020	22 Jan 20	Approval of the authorization of Customer Service Associates (CSAs) to process the renewal of 1CISP satellite office's business permit.
013 S. 2020	22 Jan 20	Authorization of Sarah Mae C. Buksh as compliance officer and Aidon J. De Jesus as alternate representative before the Anti-Money Laundering Council.
014 S. 2020	22 Jan 20	Authorization of Sarah Mae C. Buksh as compliance officer before PIRA and PLIA.
015 S. 2020	22 Jan 20	Designation of Ms. Erlin T. Pasaylo as 1CISP representative to Regional Cooperative Development Council Cebu.
016 S. 2020	22 Jan 20	Appointment of Dir. Armen A. Cuenca as 1CISP representative to MSCF's General Assembly and allowing him to run for the position of Board of Director on February 23, 2020 at Grand Caprice Cagayan De Oro City.
017 S. 2020	22 Jan 20	Approval of the recommendation of the Investment and Credit Committee: <ol style="list-style-type: none"> <li>1. Approval of Investment Portfolio for Life &amp; Non-Life</li> <li>2. Approval of time deposits to various cooperatives: <ul style="list-style-type: none"> <li>▪ St. Joseph Parish-Kayapa MPC - P2 Million</li> <li>▪ Aguinaldo Vets and Associates Credit Cooperative (AVACC) - P3 Million</li> <li>▪ Bulawan Agrarian Reform Cooperative (BARCO) - P2 Million</li> </ul> </li> </ol>

		<ul style="list-style-type: none"> <li>▪ La Union MPC - P5 Million</li> </ul>
018 S. 2020	22 Jan 20	Approval of the renewal of Judicial Bond for civil and criminal cases and submit the documentary requirements to the Supreme Court for accreditation.
019 S. 2020	22 Jan 20	Confirmation of the approved Online Board Resolution No. 022 s. 2019 dated December 20, 2019 re Approval of time deposit to Mapag-ampon Parish MPC amounting to P5 Million.
020 S. 2020	22 Jan 20	Resolution to rule against the request of FICCO on the representation of EVP Laguna to Bataan Cooperative Bank and the request of NCCB on the representation of President Miclat as NCCB Board Treasurer.
021 S. 2020	26 Feb 20	Approval of the agenda.
022 S. 2020	26 Feb 20	Approval of the minutes of the Board Meeting held on January 22, 2020.
023 S. 2020	26 Feb 20	Authorization of the President/CEO, Roy S. Miclat and EVP/COO, Cecilia M. Laguna as members of the TWGs in drafting the bill and amending the statutory funds.
024 S. 2020	26 Feb 20	<ol style="list-style-type: none"> <li>1. Approval of the partnership with Water.Org to advocate and promote access to clean water and sanitation facilities among cooperative-members of 1CISP thru its WaterCredit Program;</li> <li>2. Approval of the MOU between 1CISP and Water.Org that will establish the arrangement between both parties subject to the perusal and comment of 1CISP Legal Department.</li> </ol>
025 S. 2020	26 Feb 20	Approval of the scholarship grant to Ms. Sylvia Quinesio as the Senior Executive and Ms. Gelizabeth Cabuhat as the high-potential woman leader representing 1CISP into the Women's World Banking.
026 S. 2020	26 Feb 20	Approval of the following OSM for the new building: <ol style="list-style-type: none"> <li>1. Interior Tiles (Floor &amp; Wall) - P1.65 Million</li> <li>2. Exterior Tiles - P1.3 Million</li> <li>3. Water, Fire &amp; Other Domestic Pumps - P2.7 Million</li> <li>4. Kitchen Fixtures - P500,000.00</li> </ol>
027 S. 2020	26 Feb 20	Approval to accept the result of 2019 Audited Financial Statement.
028 S. 2020	26 Feb 20	Approval to include in the GA Agenda the increase in the honorarium of the Board of Directors.
029 S. 2020	26 Feb 20	Approval to accept the result of 2018 Annual Examination conducted by the Insurance Commission.
030 S. 2020	26 Feb 20	Approval of the Calendar Year 2020 Proposed Budget.
031 S. 2020	26 Feb 20	Appointment of Ms. Aiza G. Malonzo to be the 1CISP official representative and run as Board to the Cooperative Bank of Palawan on March 28, 2020.
032 S. 2020	26 Feb 20	Appointment of Dir. Nestor D. Ortigoza to be the 1CISP official representative and run as Board to the Banco Cooperativa de Zamboanga General Assembly on March 30, 2020.
033 S. 2020	26 Feb 20	Appointment of President/CEO Roy S. Miclat to be the 1CISP's representative to the sectoral Apex of insurance cooperative.
034 S. 2020	26 Feb 20	Approval of the following investment in time deposit for Non-Life: <ol style="list-style-type: none"> <li>1. Philippine National Bank (PNB) QC Delta - P30 Million</li> <li>2. China Bank Savings Buendia - P30 Million</li> <li>3. Banco De Oro Pacific Star - P30 Million</li> <li>4. Security Bank Salcedo - P30 Million</li> <li>5. Asia Pro MPC - P20 Million</li> </ol>
035 S. 2020	26 Feb 20	Approval of the additional investment on time deposit to La Union MPC amounting to P5 million.
036 S. 2020	26 Feb 20	Approval of the International Trainings for Calendar Year 2020.
037 S. 2020	26 Feb 20	Approval of 1CISP participation in the OLIS Training.
038 S. 2020	26 Feb 20	Approval of the amendments on the Motorcycle Loan for employees and licensed agents from the amount of P100,000.00 to P150,000.00.
039 S. 2020	26 Feb 20	Confirmation of approved online board resolution:

		1. OBR 001 S. 2020 dated January 28, 2020 re Approval of the emergency loan application of Sarah Mae C. Buksh amounting to P100,000.00 and consolidate the recently released loan amounting to P100,000.00. The total loan of P200,000.00 shall be payable in 2 years.
040 S. 2020	26 Feb 20	Approval of the proposed distribution/allocation of net surplus.
041 S. 2020	26 Feb 20	Approval of the P500,000.00 sponsorship to PCC for the Coop Summit.
042 S. 2020	26 Feb 20	Approval of the P100,000.00 funding support on the research project of PPAC on Cooperative Taxation in coordination with PCC.
043 S. 2020	31 Mar 20	Approval of the agenda.
044 S. 2020	31 Mar 20	Approval of the allocation of P2 Million as response to COVID-19 crisis in coordination with PCC and CHMF.
045 S. 2020	31 Mar 20	Approval of the deferment of monthly amortization of cooperatives for 2 months.
046 S. 2020	31 Mar 20	Approval of the deferment of monthly amortization of 1CISP Employees and Sales Agents for 30 days.
047 S. 2020	31 Mar 20	Approval of the one-time financial assistance to eighty-seven (87) Marketing Coordinators (MCs) with a total amount of P435,000.00.
048 S. 2020	31 Mar 20	Approval of the financial assistance for the Sales Team if ECQ will be extended for another 30 days with a total amount of P1,135,000.00.
049 S. 2020	07 Apr 20	Approval of the agenda.
050 S. 2020	07 Apr 20	Approval of the distribution of interest on capital amounting P162,678,091, patronage refund amounting P23,239,727, and experience refund amounting P46,479,454 to 1CISP member-owners.
051 S. 2020	07 Apr 20	Approval of the following: <ol style="list-style-type: none"> <li>1. April 16- 30, 2020 salaries of regular and probationary employees amounting to P2,041,374.17 net;</li> <li>2. Professional fees and retainers fee of consultants amounting to P516,000.00;</li> <li>3. Financial support to sales and marketing agents amounting to P1,700,000.00.</li> </ol>
052 S. 2020	07 Apr 20	Approval of the release of 50% of the employees' 13 <sup>th</sup> month pay on or before May 10, 2020.
053 S. 2020	07 May 20	Approval of the agenda.
054 S. 2020	07 May 20	Approval of the minutes of the Board Meeting held on April 7, 2020.
055 S. 2020	07 May 20	Approval to accept the membership application of the following cooperatives for the month of February 2020 with a total paid up capital of P823,000.00: <ol style="list-style-type: none"> <li>1. Sun Valley MPC - P20,000.00</li> <li>2. Our Lady of Peace and Good Voyage Cooperative - P50,000.00</li> <li>3. St. Barnabas Credit Cooperate - P40,000.00</li> <li>4. Kabayan Multipurpose Cooperative - P10,000.00</li> <li>5. Bayanihan St. John MPC - P100,000.00</li> <li>6. Santa Luisa MPC - P202,000.00</li> <li>7. Antique Nat'l School Teachers &amp; Employees Coop - P100,000.00</li> <li>8. Norkis Credit Cooperative - P200,000.00</li> <li>9. Consolacion MPC - P100,000.00</li> <li>10. Cabuling MPC - P1,000.00</li> </ol>
056 S. 2020	07 May 20	Approval of May 2020 salaries of regular and probationary employees amounting to P3,825,443.04 (net) and professional fees and retainers fee of consultants amounting to P110,000.00.
057 S. 2020	07 May 20	Approval of the release of the productivity incentive for 2019 to be distributed to 1CISP employees, elected committees and Board of Directors.
058 S. 2020	07 May 20	Approval of the President's Report.
059 S. 2020	07 May 20	1. Granting of hazard pay to employees reporting to the office during ECQ and GCQ amounting to P300.00 per day per employee;



		2. Approval of monthly internet allowance for employees working from home amounting to P1,000.00 per employee.
060 S. 2020	07 May 20	Delegation of prerogative to the Management in testing its employees for COVID-19 before reporting to the office.
061 S. 2020	07 May 20	Approval of the opening of BDO Treasury Account with BDO in compliance with the Insurance Commission's mandatory investment requirement.
062 S. 2020	07 May 20	Approval of the subscription of capital amounting to P1 million to 1 Coop Health Services Mindanao (1CHSM) Federation.
063 S. 2020	04 Jun 20	Approval of the agenda.
064 S. 2020	04 Jun 20	Approval to continue the conduct of 1CISP 46 <sup>th</sup> General Assembly on July 11, 2020 via zoom.
065 S. 2020	25 Jun 20	Approval of the agenda.
066 S. 2020	25 Jun 20	Approval of the minutes of the Board Meeting held on May 7 and June 4, 2020.
067 S. 2020	25 Jun 20	Approval of the conduct of the online general assembly on July 25, 2020 subject to further comments from CDA on the letter of 1CISP to defer discussion on the voting system; and the amendments on the by-laws pertaining to the voting system and other provisions will be tackled on a thorough discussion by the new set of Board and present it through a special general assembly.
068 S. 2020	25 Jun 20	Approval of the revised budget for 2020 with revenue amounting to P1.028 billion and a net surplus amounting to P220 million.
069 S. 2020	25 Jun 20	Approval of the President's Report.
070 S. 2020	25 Jun 20	Approval of the Bicycle or E-Bike Loan Policy to provide mobility for qualified employees or agents within their area/city with a maximum loanable amount of P50,000.00 with 6% interest per annum and payable up to 24 months through salary deduction or commission.
071 S. 2020	25 Jun 20	Approval of the application to Union Bank Online Banking to increase the online payment and collection facilities of 1CISP.
072 S. 2020	25 Jun 20	Approval of the placement of investment to the following institution as mandated by the Insurance Commission: 1. Almagamated amounting P5 Million as Government Securities (under Life Account); 2. China Bank Palanca amounting P67 Million as Government Securities (under Non-Life Account).
073 S. 2020	25 Jun 20	Approval of the inflationary increase of 2.5% based on NEDA Report and merit increase of employees effective January 1, 2020.
074 S. 2020	25 Jun 20	Approval of the continuous coverage of loan insurance to member-coops as a result of extended terms due to Bayanihan To Heal As One Act and forego the estimated P8.96M loss on premium due; and the extended loan coverage of insured members under LPPI plan for 2 months are free of charge.
075 S. 2020	25 Jun 20	Approval of the full withdrawal of share capital of Kampilan MPC amounting to P5,132,890.57.
076 S. 2020	25 Jun 20	Approval of the release of all dividends as requested by the member-coops and facilitate all remaining dividends in the event that the coop wants to plow back to their respective share capital.
077 S. 2020	25 Jun 20	Approval of the renewal of Judicial Bonds (Civil and Criminal Case) for Non-Life compliance.
078 S. 2020	25 Jun 20	Approval of the authorized signatory for CARI and Surety Bonds for Non-Life compliance.
079 S. 2020	09 Jul 20	Approval of the agenda.
080 S. 2020	09 Jul 20	Approval of the release of the premium and experience refund to member-cooperatives at estimated amount of P68 million before the July 25, 2020 general assembly.

081 S. 2020	09 Jul 20	Approval of the audit engagement of R.G. Manabat & Co. to be the new external auditor of 1CISP and be presented to the general assembly for approval.
082 S. 2020	09 Jul 20	Approval of the 2019 Annual Value Sharing to be released on or before July 15, 2020.
083 S. 2020	09 Jul 20	Approval of the above average rating of the President and EVP as basis for their annual value sharing.
084 S. 2020	17 Jul 20	Approval of the agenda.
085 S. 2020	17 Jul 20	Approval of the decision of the Election Committee on the reversal of disqualification of Mr. Isagani B. Daba from running as Board of Director.
086 S. 2020	17 Jul 20	Approval of the amount of P500,000.00 annual support to the Youth Servant Leadership and Education Program of Caritas Manila as part of social responsibility of 1CISP to help the marginalized students.
087 S. 2020	23 Jul 20	Approval of the proposed addendum to the election guidelines.
088 S. 2020	23 Jul 20	Approval of the presentation of the proposed addendum on the election guidelines to the general assembly for approval and implementation.
089 S. 2020	23 Jul 20	Authorization of Mr. Aidon J. De Jesus, 1CISP Compliance Assistant, to represent the cooperative before the Bureau of Internal Revenue RDO 34 in processing the update of the 1CISP's certificate of registration and loose leaf.
090 S. 2020	30 Jul 20	Approval of the agenda.
091 S. 2020	30 Jul 20	Appointment of Fr. Anton CT. Pascual as 1CISP Chairperson.
092 S. 2020	30 Jul 20	Appointment of Dir. Isagani B. Daba as 1CISP Vice Chairperson.
093 S. 2020	30 Jul 20	Re-appointment of Mr. Roy S. Micalat as President & CEO and Ms. Cecilia M. Laguna as EVP & COO.
094 S. 2020	30 Jul 20	Re-appointment of Atty. Lyman A. Manzanares as Co-operative Secretary and Ms. Leonila R. Medina as Treasurer.
095 S. 2020	30 Jul 20	Approval of the conduct of regular board meeting every 4 <sup>th</sup> Thursday of the month.
096 S. 2020	30 Jul 20	Approval of the new composition of the Board Committee.
097 S. 2020	30 Jul 20	Appointment of Fr. Anton CT. Pascual as the new official representative of 1CISP to the Cooperative Health Management Federation (CHMF).
098 S. 2020	30 Jul 20	Appointment of Fr. Anton CT. Pascual as the new official representative of 1CISP to the Philippine Cooperative Center (PCC).
099 S. 2020	30 Jul 20	Appointment of Vice Chairperson Isagani B. Daba as the new official representative of 1CISP to the Philippine Cooperative Central Fund Federation (PCF).
100 S. 2020	30 Jul 20	Appointment of Dir. BGen. Lorenzo R. Sumicad AFP (Ret) as the new official representative of 1CISP to the Banco Cooperativa de Zamboanga (BCDZA).
101 S. 2020	30 Jul 20	Appointment of Dir. BGen. Lorenzo R. Sumicad AFP (Ret) as replacement of Dir. Ortigoza in running as Board of Director of Banco Cooperativa de Zamboanga (BCDZA).
102 S. 2020	30 Jul 20	Appointment of Dir. Nestor D. Ortigoza as the new official representative of 1CISP to TraXion Tech Inc., replacing Mr. Senen Bacani.
103 S. 2020	30 Jul 20	Appointment of Atty. Lyman A. Manzanares as the second official representative of 1CISP to TraXion Tech Inc.
104 S. 2020	30 Jul 20	Appointment of President/CEO Roy S. Micalat as the Network Consolidated Cooperative Bank (NCCB) Board Treasurer and as official representative of 1CISP to the NCCB's General Assembly.
105 S. 2020	27 Aug 20	Approval of the agenda.
106 S. 2020	27 Aug 20	Approval to dispense with the reading of the minutes of the Board meetings held on February 26, March 31, June 25, July 9, July 17, July 23 and July 30, 2020.

107 S. 2020	27 Aug 20	<p>Confirmation of the approved online board resolutions nos. from 002 to 018 S. 2020:</p> <ol style="list-style-type: none"> <li>1. OBR 002 S. 2020 dated March 2, 2020 re Designation of VP Sylvia R. Quinesio as 1CISP official representative and candidate for Board of Director position to the Cooperative Bank of Palawan's General Assembly on March 28, 2020.</li> <li>2. OBR 003 S. 2020 dated March 11, 2020 re Approval to allow Dir. Nestor D. Ortigoza and VP Sylvia R. Quinesio to attend the Basic Corporate Governance for Bank Directors Seminar-Workshop on March 12-13, 2020.</li> <li>3. OBR 004 S. 2020 dated March 12, 2020 re Postponement of the 1CISP 46<sup>th</sup> Annual General Assembly scheduled April 3-4, 2020 and request for availment of regulatory relief to CDA.</li> <li>4. OBR 005 S. 2020 dated March 18, 2020 re Approval of EVP Laguna's authority to attend the CCB Annual General Assembly on March 21, 2020.</li> <li>5. OBR 006 S. 2020 dated March 22, 2020 re Approval to stop the operation of 1CISP effective March 23, 2020 until further notice.</li> <li>6. OBR 007 S. 2020 dated March 23, 2020 re Approval to implement the following: <ul style="list-style-type: none"> <li>▪ All offices including areas where ECQ are not yet implemented will cease operations effective March 23, 2020.</li> <li>▪ A memorandum will be sent to all members and will be posted on social media, that 1CISP will be ceasing operations effective March 23, 2020.</li> <li>▪ Continue communicating with everyone to monitor and provide regular feedback to 1CISP personnel.</li> </ul> </li> <li>7. OBR 008 S. 2020 dated March 24, 2020 re Approval of the following items: <ul style="list-style-type: none"> <li>▪ Employees Pay for April 1-15, 2020;</li> <li>▪ Honorarium of the Board, Treasurer, Coop Secretary, Elected Committees and Medical Director for the month of March.</li> <li>▪ Financial Assistance to 38 agents.</li> </ul> </li> <li>8. OBR 009 S. 2020 dated March 26, 2020 re Approval to purchase 150 boxes of medical face masks amounting to P195,000.00 as donation of 1CISP to our frontliners in COVID-19 identified hospitals like PGH and Lung Center of the Philippines, to be charged to CDF.</li> <li>9. OBR 010 S. 2020 dated March 27, 2020 re Approval to re-align the remaining funds allocated for Taal Volcano eruption to procure PPEs, N95 mask and alcohol for the cooperative frontliners. Distribution of funds thru the following institution/federation: <ul style="list-style-type: none"> <li>▪ Caritas Manila – P300,000.00</li> <li>▪ Philippine Cooperative Center – P500,000.00</li> </ul> </li> <li>10. OBR 011 S. 2020 dated May 12, 2020 re Approval of cash donation to Philippine Medical Association (PMA) amounting to P100,000.00 to support its #ProtectTheFrontline Program.</li> <li>11. OBR 012 S. 2020 dated May 28, 2020 re Designation of EVP/COO Cecilia M. Laguna as 1CISP's official representative in attending the Consolidated Cooperative Bank (CCB) Annual General Assembly on May 30, 2020 via videoconference.</li> <li>12. OBR 013 S. 2020 dated June 18, 2020 re Designation of President/CEO Roy S. Miclat as 1CISP's official representative in attending the Metro South Cooperative Bank (MSCB) Annual General Assembly on June 19, 2020 via zoom.</li> </ol>
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		<p>13. OBR 014 S. 2020 dated June 18, 2020 re Designation of President/CEO Roy S. Miclat as 1CISP's official representative in attending the Bataan Cooperative Bank (BCB) Annual General Assembly on June 28, 2020 via zoom.</p> <p>14. OBR 015 S. 2020 dated July 2, 2020 re Approval of the Performance Evaluation of the President and EVP for year 2019.</p> <p>15. OBR 016 S. 2020 dated August 14, 2020 re Approval of Product Oversight and Governance Policy.</p> <p>16. OBR 017 S. 2020 dated August 19, 2020 re Approval of 1CISP CETF Dues to Philippine Cooperative Center amounting to P300,000.00.</p> <p>17. OBR 018 S. 2020 dated August 19, 2020 re Designation of President/CEO Roy S. Miclat as 1CISP's official representative in attending the 40th Annual General Assembly of Cooperative Bank of Bohol and Mr. Gilbert Marcojos as alternate representative on August 22, 2020 via zoom.</p>
108 S. 2020	27 Aug 20	<p>Approval to accept the membership application of the following cooperatives with a total paid-up capital amounting to P232,000.00:</p> <ol style="list-style-type: none"> <li>1. Printing and Publishing MPC - P100,000.00</li> <li>2. Mentors Credit Cooperative - P10,000.00</li> <li>3. Tarlac National High-School Teachers and Employees Primary MPC - P100,000.00</li> <li>4. Rainbow Family MPC - P10,000.00</li> <li>5. Lanao Credit Cooperative - P12,000.00</li> </ol>
109 S. 2020	27 Aug 20	Approval of the President's Report.
110 S. 2020	27 Aug 20	Approval of the exploratory meeting and potential partnership with TransUnion to help cooperative-members in having a credit reporting solution readily available in the digiCOOP Platform.
111 S. 2020	27 Aug 20	Approval of the additional budget of P8,209,564.09 for the 1CISP building construction.
112 S. 2020	27 Aug 20	Approval of the request of AMCOOP to defer their amortization for the month of May 2020 up to July 2020 and to pay only the interest from August 2020 to December 2020.
113 S. 2020	27 Aug 20	Approval of the UnionBank E-Government Facility.
114 S. 2020	27 Aug 20	Approval of the opening of savings account to Moncada Womens MPC to accommodate premium remittances from the cooperative.
115 S. 2020	27 Aug 20	Approval of the update of all savings accounts in commercial banks and cooperatives with the new set of 1CISP signatories.
116 S. 2020	27 Aug 20	Approval of the opening of NRoSS Account to China Bank Treasury NRoSS for Life Account as compliance to the Insurance Commission mandatory investment.
117 S. 2020	27 Aug 20	Approval of the pullout of matured time deposit investment with City Hall Employees MPC (CHEMCO) amounting to P4 million with approximately P273,000 earned interest.
118 S. 2020	27 Aug 20	Approval of the P1 million CETF Dues to Philippine Cooperative Center (PCC).
119 S. 2020	27 Aug 20	<ol style="list-style-type: none"> <li>1. Approval of the participation of the 11 selected employees in the invitation of ICMIF for Mutual Leadership with a total training cost of P382,849.90;</li> <li>2. Approval of the online class of Ms. Gelizabeth DT. Cabuhat for the Cooperative Management education program at the Sobey School of Business, Saint Mary's University in Canada with a total training cost of P1,166,823.76.</li> </ol>
120 S. 2020	27 Aug 20	Approval of the P500,000.00 financial assistance to Union of Metro Manila Cooperatives (UMMC).

121 S. 2020	27 Aug 20	Approval of the renewal of 1CISP Non-Life Unit's authority to act as Surety.
122 S. 2020	27 Aug 20	Approval of the Cooperative's application to update its Business Permit to include Non-life Insurance Business.
123 S. 2020	27 Aug 20	Approval of the application of new PLDT line for the new building.
124 S. 2020	27 Aug 20	Approval of the application as submitting entity with Credit Information Corporation (CIC).
125 S. 2020	24 Sep 20	Approval of the agenda.
126 S. 2020	24 Sep 20	Approval to dispense with the reading of the minutes of the Board meeting held on August 27, 2020.
127 S. 2020	24 Sep 20	Approval of the minutes of the Board meeting held on August 27, 2020.
128 S. 2020	24 Sep 20	Confirmation of the approved online board resolution no. 019 S. 2020 dated Sep 15, 2020 re Approval of P3.75 million Non-Life Claims Fund with FICCO.
129 S. 2020	24 Sep 20	Approval of the recommendation of the Investment & Credit Committee in relation to Bayanihan 2 Law to allow the credit assistance to borrowers to defer payment for another two (2) months for the month of October and November 2020; except, for AMCOOP since 1CISP already granted five (5) months to defer their loan payments.
130 S. 2020	24 Sep 20	Approval to have AMCOOP collateral TCT 145-2017000297 be re-appraised by independent appraiser with estimated appraisal cost amounting to P25,000.00.
131 S. 2020	24 Sep 20	Approval of the appointment of the following committees and shall serve for a period of one year from September 24, 2020 to September 24, 2021, or until their successors are appointed:  <b>Ethics Committee:</b> 1. Madeline A. Lagazo - Claveria Grassroots MPC 2. BGen. William P. Turalde AFP (Ret) - Koop King MPC 3. MGen. Isagani P. Silva (Ret) - Air Cavaliers Credit Cooperative  <b>Mediation &amp; Conciliation Committee:</b> 1. Antonio Ll. Sayo - Alay Buhay Community Dev't Foundation 2. Atty. Raul V. Macatangay - Bureau of Fire Protection MPC 3. Jocelyn P. Rivera - Kapit Bisig sa Pag-unlad MPC  <b>Gender &amp; Development Committee:</b> 1. Dra. Jovita V. Mateo - San Jose Del Monte Savings & Credit Cooperative 2. Gemma D. Pena - Murphy Dev't Cooperative 3. Genara N. Desacula - Cooperative Health Management Federation
132 S. 2020	24 Sep 20	Approval of the appointment of Mr. Jerson S. Remo representing Silangan MPC to be the 3 <sup>rd</sup> member of the Election Committee effective September 24, 2020 until the next general assembly and election of officers.
133 S. 2020	24 Sep 20	Approval to communicate the tentative valuation of R&B Inc. to FICCO wherein assets, liabilities and equity will be transferred to 1CISP.
134 S. 2020	24 Sep 20	Approval of the membership application of the following cooperatives with a total paid-up capital amounting to P120,000: 1. Landan Peoples Cooperative - P10,000.00 2. Alabel Public School Teachers and Employees MPC - P10,000.00 3. Mindoro Island Federation of Cooperatives - P100,000.00
135 S. 2020	24 Sep 20	Approval to authorize the President/CEO Roy S. Miilat and EVP/COO Cecilia M. Laguna to sign the Service Cooperation Agreement (SCA) with Malayan Insurance for and on behalf of 1CISP with corresponding amendments on the provisions to be changed by the Legal Officers.

136 S. 2020	24 Sep 20	Approval of the Management's Report.												
137 S. 2020	24 Sep 20	Acceptance of the Executive Committee Report.												
138 S. 2020	24 Sep 20	Acceptance of the Investment & Credit Committee Report.												
139 S. 2020	24 Sep 20	Approval of the following adjustments on the per diem and honorarium of the Board, Coop Officers and Committee Members effective October 1, 2020:  <table border="1" data-bbox="555 344 1439 792"> <thead> <tr> <th>Activity/Allowance Type</th> <th>From the amount of</th> <th>Adjusted To</th> </tr> </thead> <tbody> <tr> <td>1. Committee Meetings (Honorarium)</td> <td>P3,500.00</td> <td>P2,000.00</td> </tr> <tr> <td>2. Special/Regular Board Meeting (Honorarium)</td> <td>Chair - P10,000.00 Vice Chair - P7,500.00 Directors - P5,000.00 Coop Sec - P7,500.00 Treasurer - P7,500.00</td> <td>P5,000.00</td> </tr> <tr> <td>3. Other meetings representing 1CISP (Per Diem)</td> <td>P2,000.00</td> <td>P500.00</td> </tr> </tbody> </table>	Activity/Allowance Type	From the amount of	Adjusted To	1. Committee Meetings (Honorarium)	P3,500.00	P2,000.00	2. Special/Regular Board Meeting (Honorarium)	Chair - P10,000.00 Vice Chair - P7,500.00 Directors - P5,000.00 Coop Sec - P7,500.00 Treasurer - P7,500.00	P5,000.00	3. Other meetings representing 1CISP (Per Diem)	P2,000.00	P500.00
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3. Other meetings representing 1CISP (Per Diem)	P2,000.00	P500.00												
140 S. 2020	24 Sep 20	Approval to request a letter of offer for investment to Mission Hospital to be forwarded to different coops.												
141 S. 2020	22 Oct 20	Approval of the agenda.												
142 S. 2020	22 Oct 20	Approval to dispense with the reading of the minutes of the Board meeting held on September 24, 2020.												
143 S. 2020	22 Oct 20	Approval of the minutes of the Board meeting held on September 24, 2020												
144 S. 2020	22 Oct 20	Confirmation of the following approved online board resolutions, as presented and discussed; 1. OBR 020 s. 2020 dated October 13, 2020 re Approval for 1CISP to join the SCCI Consortium for Personal Passenger Accident Insurance under Insurance Commission. 2. OBR 021 s. 2020 dated October 14, 2020 re Approval of P50,000.00 voluntary contribution to be turned over to the National Government on the Cooperative Day with the President.												
145 S. 2020	22 Oct 20	1. Approval of the application to join the City Cooperative Development Council Davao under the City Cooperative Development Office authorizing the President/CEO, Roy S. Miclat to sign documents relating thereto; 2. Designation of 1CISP Regional Area Manager, Ms. Marcosa B. Dela Cruz, to be the 1CISP authorized representative before the City Cooperative Development Office.												
146 S. 2020	22 Oct 20	Authorization of the President/CEO, Roy S. Miclat, to sign the documents relating to the transfer of ownership of vehicles from 1CISP to the cooperatives as prizes during the 46 <sup>th</sup> GA.												
147 S. 2020	22 Oct 20	Approval of the 1CISP mission statement, "A viable and socialized cooperative insurance service that protects and empowers Filipinos especially those who have less in life."												
148 S. 2020	22 Oct 20	Approval of the 1CISP vision statement, "To insure three million Filipinos by 2025."												
149 S. 2020	22 Oct 20	Approval to recognize the Philippine Cooperative Center (PCC) as the National Alliance of Cooperatives.												
150 S. 2020	22 Oct 20	Approval to accept the membership application of the following cooperatives with a total paid-up capital amounting to P140,000.00: 1. PhilHealth Regional Office 1 EMPC - P100,000.00												

		<ol style="list-style-type: none"> <li>2. Sarah Jane Ferrer HS Credit Cooperative - P10,000.00</li> <li>3. Panabo City Government Employees MPC - P20,000.00</li> <li>4. Katid Tuan Marketing Cooperative - P10,000.00</li> </ol>
151 S. 2020	22 Oct 20	Approval of the reseller's agreement for final review of the legal department and the P600,000.00 set-up fee for all the cooperatives which encompasses digiCOOP platform.
152 S. 2020	22 Oct 20	Approval of the Management's Report.
153 S. 2020	22 Oct 20	<p>Approval of the following requests of the Investment &amp; Credit Committee, as presented and discussed;</p> <ol style="list-style-type: none"> <li>1. For Time Deposits - No new/additional placement of Time Deposits for Cooperatives &amp; Cooperative banks until the end of December 2020.</li> <li>2. For Government Securities - Allow placement of Government Securities to Commercial Banks. This investment will also be lodge under Insurance Commission NRoSS Account.</li> <li>3. For Credit Assistance - No placement of Loans for Cooperatives &amp; Cooperative banks.</li> <li>4. CDO MBOS Account - Metrobank online facility for our CDO Branch</li> <li>5. Opening of Savings Account to Eastwest Bank</li> </ol>
154 S. 2020	22 Oct 20	Acceptance of the Investment & Credit Committee Report.
155 S. 2020	22 Oct 20	Acceptance of the Audit & Inventory Committee Report.
156 S. 2020	26 Nov 20	Approval of the agenda.
157 S. 2020	26 Nov 20	Approval to dispense with the reading of the minutes of the Board meeting held on October 22, 2020.
158 S. 2020	26 Nov 20	Approval of the minutes of the Board meeting held on October 22, 2020.
159 S. 2020	26 Nov 20	<p>Confirmation of the following approved online board resolutions, as presented and discussed:</p> <ol style="list-style-type: none"> <li>1. OBR 022 S. 2020 dated Nov. 2, 2020 re Approval of P500,000.00 donation through Caritas Manila to help the communities most affected by Super Typhoon Rolly to be charged to CDF.</li> <li>2. OBR 023 S. 2020 dated Nov. 14, 2020 re Approval of donation to communities most affected by Typhoon Ulysses amounting P1,050,000.00 to be charged to CDF <ul style="list-style-type: none"> <li>▪ P500,000.00 through the Office of the Vice President Leni Robredo;</li> <li>▪ P500,000.00 through Caritas Manila for Cagayan and Isabela victims;</li> <li>▪ P50,000.00 through the City Government of Marikina.</li> </ul> </li> <li>3. OBR 024 S. 2020 dated Nov. 17, 2020 re Approval of P200,000.00 donation through CDA for the "Malasakit ng CDA at Kooperatiba: Tulong para sa mga nasalanta ng kalamidad Project" by conducting relief operations in Marikina City, Metro Manila, Rodriguez and San Mateo Rizal to be charged to CDF.</li> </ol>
160 S. 2020	26 Nov 20	Approval of the withdrawal of share capital of Philippine Cooperative Center amounting to P110,673.25.
161 S. 2020	26 Nov 20	Approval of the 1CISP 5-Year Strategic Plan for 2021-2025.
162 S. 2020	26 Nov 20	<p>Approval to accept the membership application of the following cooperatives with a total paid-up capital amounting to P300,000.00:</p> <ol style="list-style-type: none"> <li>1. Mediatrix MPC - P100,000.00</li> <li>2. St. Patrick Parish MPC - P100,000.00</li> <li>3. Davao Accountants MPC - P100,000.00</li> </ol>
163 S. 2020	26 Nov 20	Approval of the Management's Report.
164 S. 2020	26 Nov 20	Approval of the time deposit placement for Life Account to Eastwest Bank Don Antonio in the amount of P20 million.

165 S. 2020	26 Nov 20	Approval of the following government securities placements as compliance to mandatory investments, as presented and discussed; 1. Chinabank Palanca - P40 million (For Nonlife Account) 2. Eastwest Bank Don Antonio - P60 million (For Life Account)
166 S. 2020	26 Nov 20	Approval of the opening of IC NROSS account to Eastwest Bank for Life Account as compliance for IC mandatory investment; and settlement account of mandatory investment will be the 1CISP's Savings account in EastWest Bank.
167 S. 2020	26 Nov 20	Approval of the initial list of savings account balances for withdrawal with a total amount of P154.4 million.
168 S. 2020	26 Nov 20	Approval of the general provisions of Credit Assistance via Cooperative Bank.
169 S. 2020	26 Nov 20	Approval of the following 2020 Christmas Bonus for the Board, Officers, Committees, Employees and Licensed Agents.
170 S. 2020	29 Dec 20	Approval of the agenda.
171 S. 2020	29 Dec 20	Approval to dispense with the reading of the minutes of the Board meeting held on November 26, 2020.
172 S. 2020	29 Dec 20	Approval of the minutes of the Board meeting held on November 26, 2020.
173 S. 2020	29 Dec 20	Confirmation of the following approved online board resolutions, as presented and discussed: 1. OBR 025 S. 2020 dated November 27, 2020 re Approval of the withdrawal of share capital of Consolidated Cooperative Bank amounting to P100,000.00 and subsequent selling to Barangka Credit Cooperative. 2. OBR 026 S. 2020 dated December 15, 2020 re Approval of Emergency Loan Application of Mr. Jerard Tamonlang amounting to P250,000.00 and designation of President Roy S. Micalat and Ms. Jacqueline Macabenlar as guarantors/co-borrowers. 3. OBR 027 S. 2020 dated December 17, 2020 re Approval of Back-to-Back Loans of 1CISP to Bataan Cooperative Bank (BCB) amounting P7.5 million and to Consolidated Cooperative Bank (CCB) amounting to P76 million.
174 S. 2020	29 Dec 20	Authorization of Mr. Robert Urbano, Purchasing Assistant and the Customer Service Associates (CSAs) in processing the renewal of business permits for Head Office, CDO Branch and Satellite Offices.
175 S. 2020	29 Dec 20	Authorization of Sarah Mae C. Buksh as official representative and Aidon De Jesus as an alternate representative, to represent 1CISP before the Insurance Commission (IC), Cooperative Development Authority (CDA) and Bureau of Internal Revenue (BIR), to process compliance requirements.
176 S. 2020	29 Dec 20	Approval of the organization of new federation for digiCOOP.
177 S. 2020	29 Dec 20	Approval of the organization of new federation for 1KoopMart.
178 S. 2020	29 Dec 20	Approval of the proposed 2021 Budget.
179 S. 2020	29 Dec 20	Approval of the Management's Report.
180 S. 2020	29 Dec 20	Approval to propose the 1% referral fee to MSCB in relation to the Credit Assistance for cooperatives via MSCB.
181 S. 2020	29 Dec 20	Approval of the following time deposit placements: 1. Chinabank Buendia - P30 million 2. PNB - P20 million 3. Eastwest Kamuning - P30 million
182 S. 2020	29 Dec 20	Approval of the following recommendations of the Investment Committee: 1. No new or additional time deposits placements for Cooperatives and Cooperative Banks until March 31, 2021.



		<p>2. Opening of savings account in Jollibee Foods Corporation Employee's MPC. The premium remittances of JFC will be directly credited to this account.</p> <p>3. Appraisal of the Collaterals with a total appraisal fee of P150,000.00 inclusive of tax.</p>
183 S. 2020	29 Dec 20	Approval of the Audit Committee Report.

Certified True and Correct:

  
**ATTY. LYMAN A. MANZANARES**  
 Co-operative Secretary

Attested:

  
**FR. ANTON CT. PASCUAL**  
 1CISP Chairperson



# Joint BOD and MANAGEMENT Report



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**ICISP: THRIVING IN THE NEW NORMAL**

# ABOUT THE THEME

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## REACHING OUT TO THE GRASSROOTS THROUGH DIGITALIZATION

At the core of 1CISP's undisputable ability to flourish through economic volatilities and catastrophic circumstances is the unceasing support of its member-owners. It has been made apparent through the years that their trust and confidence have strengthened the cooperative and built the foundation of its success.

The previous year's theme, "Risk Protection and Mitigation: Keys to Growth and Resiliency of Cooperative Communities" highlights 1CISP's intense desire to return the support that it has relished from its members in the best way the cooperative knows how – by providing insurance services that would enable cooperatives to thrive during one of the most challenging times the world has ever encountered.

However, perpetual growth and true resilience are best achieved by continuously adapting to the dynamic environment and its needs through innovation. By focusing on 1CISP's mission, which is to provide "a viable and socialized cooperative insurance service that protects and empowers Filipinos, especially those who have less in life", this year's theme, "Reaching out to the Grassroots through Digitalization" emphasizes 1CISP's resolve to further enhance and empower the cooperative community through advancements in technology.

## INTRODUCTION

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In its 47th year in the movement under the new normal, 1 Cooperative Insurance System of the Philippines Life and General Insurance is more than ready to take on the challenges of the ever-changing world.

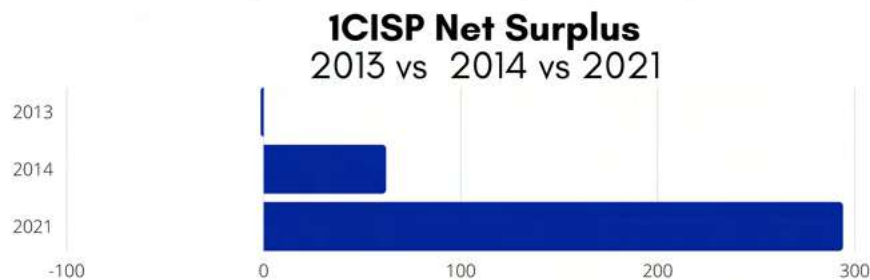
Currently, economic, political, technological, and health risks continue to threaten the stability and sustainability of businesses and operations in the Philippines. However, despite uncertainties, cooperatives continue to adapt and thrive through their initiative and resourcefulness.

For 1CISP, 2020 was definitely a challenging yet humbling year. Guided by its vision, mission, and values, it has surpassed the many unforeseen difficulties brought about by the pandemic.

Now, let us look back on the year that was.

# 1CISP: BEHIND THE ASHES

The year 2020 was first shaken by the untimely eruption of the Taal Volcano after 42 years of being inactive. This scenario felt familiar to us but in a positive manner. Do you remember how a small cooperative federation has shaken things up from a negative financial operating performance to a profitable and stable cooperative after 40 years? Yes, that is our own 1CISP.



To help the communities greatly affected by the Taal Volcano eruption, the 1CISP Board of Directors approved the recommendation of the Management to allocate the amount of P1Million worth of relief or rehabilitation during their regular meeting in January 2020.



**BE ALERT.  
KEEP SAFE.  
PRAY**



**C** CHECK UPDATES FROM THE RADIO OR TELEVISION AND FOLLOW INSTRUCTIONS;

**I** IF OUTSIDE AT THE TIME OF ERUPTION, SEEK SHELTER IN A CAR OR A BUILDING;

**S** STAY INDOORS AS VOLCANIC ASH IS A HEALTH HAZARD, ESPECIALLY IF YOU HAVE RESPIRATORY DIFFICULTIES LIKE ASTHMA;

**P** PLEASE USE PROTECTIVE GEAR SUCH AS MASKS AND EYEGASSES/GOGGLES AND KEEP AS MUCH OF YOUR SKIN COVERED.

## 'New Year, New Learnings'

As Taal Volcano continued to spew ash, the 1 Koop Leaders Academy Scholars have proved that learning never stops as they kick-off simultaneous face-to-face and online learning sessions. The scholars continued brainstorming ideas after a series of online (Zoom) meetings in the previous year.



**At the end of the session, one of the scholars quoted this: "Very much blessed with learnings today and so happy with the opportunity. I even made a promise to myself to create more effective programs for our cooperative and ensure that HR will really leave a legacy to our organization." #PanaloAngProyektongPlanado**

# 1CISP: THE CALM BEFORE THE STORM

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As of February 2020, a total of 23 new cooperatives joined 1CISP and patronized its products and services. This is a 77% increase in number of new member-cooperatives in February 2019.

At the end of 2020, the 1CISP recorded a total of 296 new and patronizing members; a 31% year-on-year increase from 2019's 226 new members. The 296 new members brought additional P194 Million share capital to 1CISP in 2020.

This is a true testament of coops' trust and confidence in 1CISP.

# 1CISP: THE START OF THE UNKNOWN

March 16 marked the start of the community quarantine due to the COVID-19 pandemic. However, the situation deteriorated rapidly with the declaration of a national Enhanced Community Quarantine (ECQ), effectively called 'total lockdown'. With this, 1CISP was forced to transition from office-based work to Work-From-Home set-up.

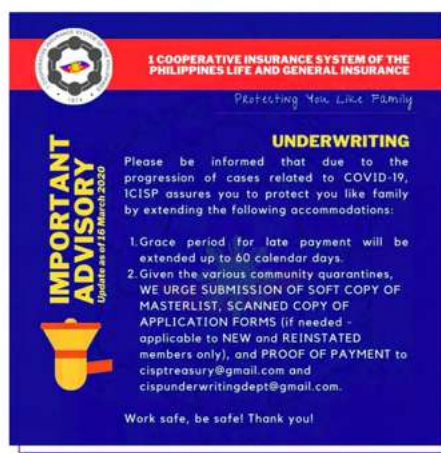
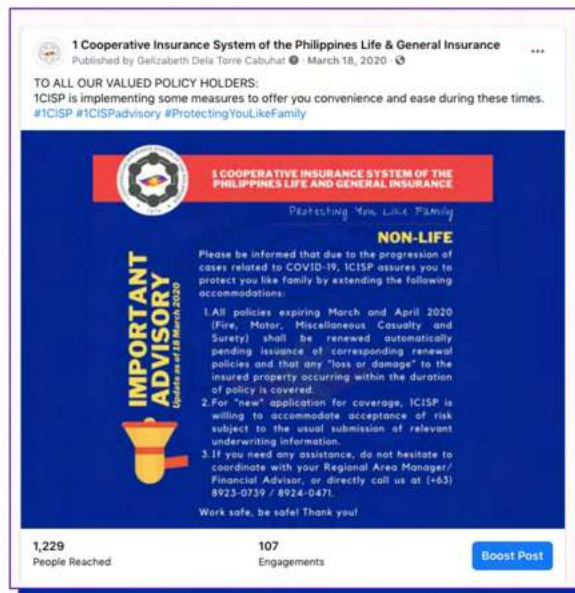
This is a challenging time for all of us, both personally and professionally. The well-being of our staff, their families, and our members has been our top priority. Since we, at 1CISP, always believe in taking care of our most important asset: the people, we made sure that employees continue to receive their full salary and benefits. Likewise, the Regional Area Managers, Financial Advisors, and Marketing Coordinators also received financial support from 1CISP.



# SUPPORT TO MEMBER-OWNERS

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Despite the adjustments and challenges of working from home, we at 1CISP were still able to prioritize our clients' needs. Acknowledging that this is also a difficult time for all our members, 1CISP has extended the following accommodations:



# SUPPORT TO COMMUNITIES

Continuous support was also given to the community, health workers and frontliners. Through our Community Development Fund, we have donated Php3 Million worth of medical supplies such as PPEs, face shields, surgical face masks, alcohols and kits through our trusted partners to help our frontliners with their fight against COVID-19.

## MARCH 27

We donated 150 boxes of surgical face masks to Medical Mission Group Hospital and Health Services Cooperatives in Luzon.

## MARCH 27

The amount of Php500,000.00 was channeled to the Philippine Cooperative Center and Cooperative Health Management Federation to procure N95 masks and face shields for the benefit of other Cooperative Hospitals in the country.

We also provided MyPhone educational gadgets to our chosen beneficiary - Division of City Schools of Navotas. We hope that in this simple way, 1CISP helped motivate the learners to be active, participative and good performing students.

## MARCH 27

We donated Php300,000.00 cash to Caritas Manila – a lead NGO in the Archdiocese of Manila, as support to their LIGTAS COVID-19 kit to support 20,000 families, inmates, and elderly who are directly affected by this pandemic.

Additional Php 2Million was approved to continuously support our health workers and frontliners in other COVID-19 identified hospitals in the Philippines.





# 1CISP IN THE NEW NORMAL

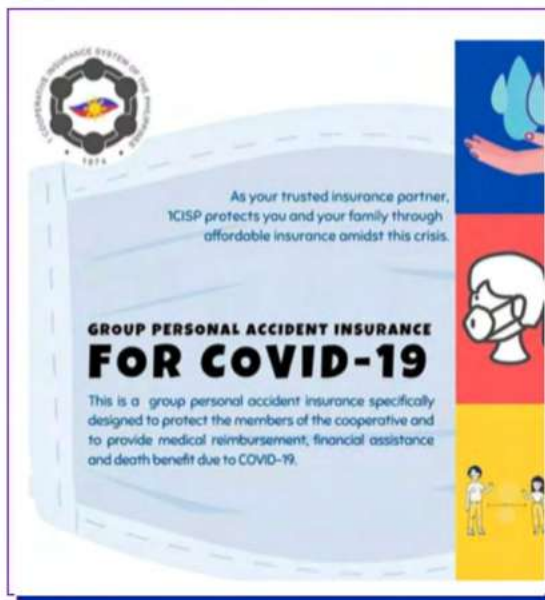
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As of April 2020, there were more than 2 million confirmed COVID-19 cases worldwide. With this, the demand for immediate healthcare and medication in the Philippines was rapidly increasing.

In line with our promise to protect every Filipino like a family, even in these uncertain times, we offered additional death claim benefit for COVID-19 related death for FREE effective April 2020. On top of that, 1CISP covers all HIB claims due to COVID-19.



Inspired by this pandemic, we have also developed a product specifically designed to protect the members of the cooperatives and provides medical reimbursement, financial assistance, and death benefit due to COVID-19.



The COVID-19 pandemic is a nightmare for many but it is also an eye-opener for people to appreciate the value of insurance.

Despite the loss of opportunity in terms of new business, 1CISP was still able to pay life and non-life insurance claims during the first month of nationwide quarantine from March 16 to April 16 of P4.85million and P338k, respectively. We also paid claims due to COVID19 with a total of P1.06million.



# 1CISP: ADOPT, ADAPT AND USE

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During the heat of the pandemic, 1CISP has proven that we are lockdown-proof.

We, at 1CISP, continued to make a difference and fill the gaps for our members under this very difficult situation. We have provided initiatives for cooperatives to stay relevant despite the pandemic.

We listed some of the challenges and opportunities we have had experienced during the ECQ with the work-from-home set-up:

- ✔ Employees were safe at the comfort of their own homes while they work and do their best to provide outputs expected from them.
- ✔ It also increased productivity among employees as the time allotted for travel was dedicated to focus on work.
- ✔ In terms of financial benefits, we generated savings on some utilities while employees saved their money from their usual transportation expenses.
- ✔ We continue to appreciate and recognize our member-coops that continuously helped and shared their resources not only to their own members but also to our frontliners fighting COVID-19, through our social media account.
- ✔ The Board of Directors and Management continuously met online to actively review our business practices.
- ✔ 1CISP also provided other services like live webinars for the quarantined coop people to become more productive and engaging to our members.
- ✔ Since we are transitioning from manual processing to digital systems, there was difficulty in accessing our data system, which later forced us to temporarily stop our claims support.
- ✔ With the use of online meeting facilities, we continuously keep our members engaged by introducing live webinars, programs that help them become more successful with the new normal, as well as presentations about our new products and services.
- ✔ We developed a Cooperative Rehabilitation Plan that contains specific activities and initiatives that cooperatives, the sector, and the government can do to protect the sustainability of cooperatives.

# NETWORK AND LINKAGES

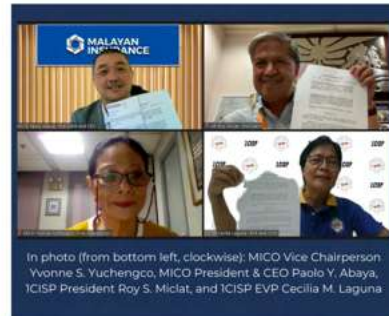
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We strengthened our network and linkages through the following:



We provided trainings to our marketing personnel and interested coops in partnership with Water.org to promote safe water and sanitation practices.

The partnership between 1CISP and Malayan Insurance Corporation targets exponential growth for both businesses. The two organizations shared the same vision which is to reach more low-income groups.



In photo (from bottom left, clockwise): MICO Vice Chairperson Yvonne S. Yuchengco, MICO President & CEO Paolo Y. Abaya, 1CISP President Roy S. Miclat, and 1CISP EVP Cecilia M. Laguna

**GET TO KNOW YOUR BORROWERS BETTER**

August 27, 2020  
03:00PM - 04:30PM  
via WebEx Application

Expand your loan portfolio, say "YES" to more borrowers, lend confidently and find out who are your low-risk borrowers by joining our webinar entitled, Get To Know Your Borrowers Better.

To register for this webinar, please follow the step-by-step guide in the caption or use the QR code.

This webinar is FREE.

We also started meeting with the TransUnion team for the potential partnership for credit scoring

We enhanced our NegoSeguro product through the assistance of GIZ

**NegoSeguro<sup>plus</sup>**

- 1 Re-engineering Business Process in the Context of the New Normal
- 2 Code of Ethical Standards & the Ethics Committee: Roles, Functions & Importance
- 3 Election Committee Competency Training
- 4 Business Continuity Planning for Cooperatives



in partnership with

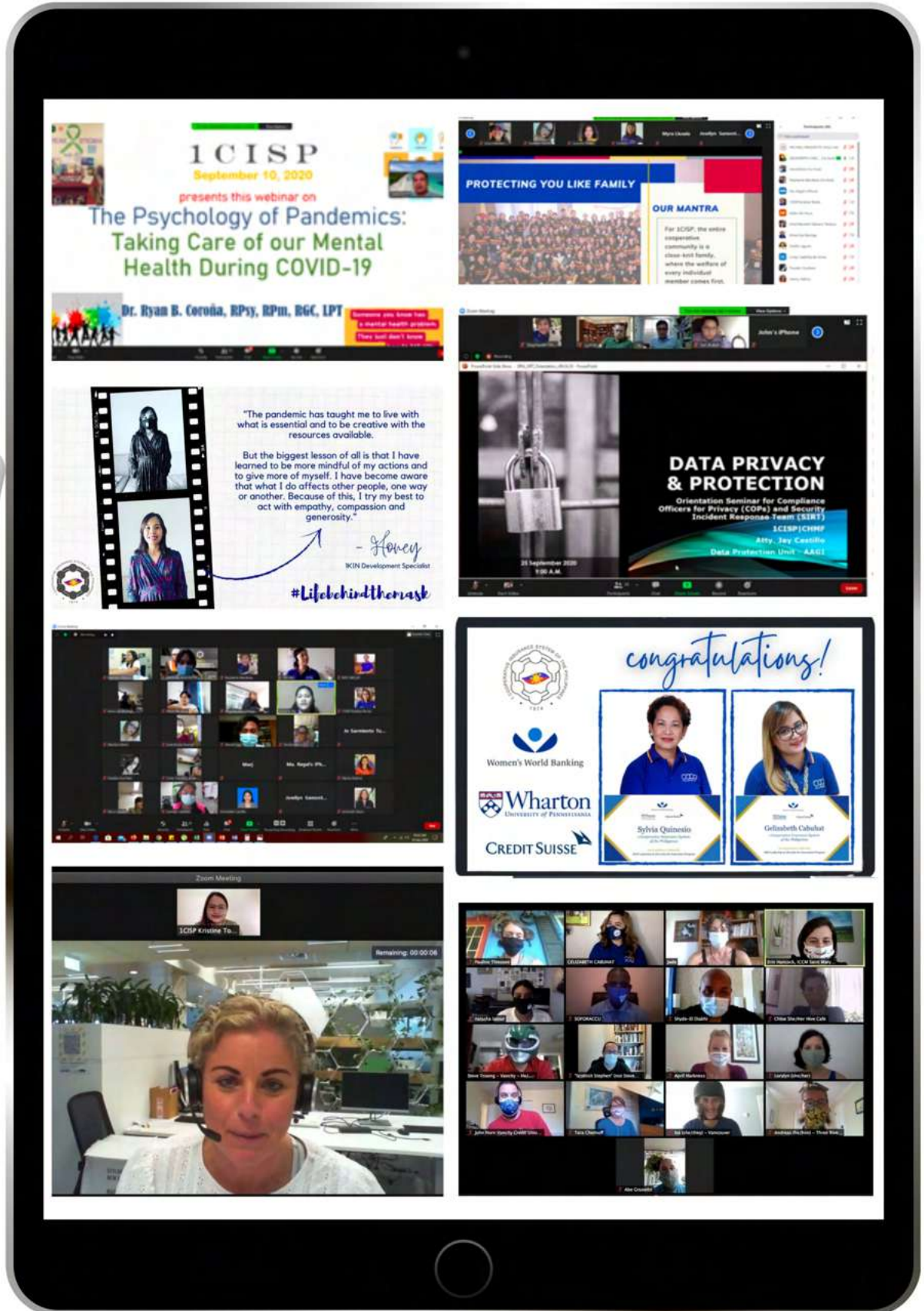


We continued to provide capacity and capability training program to our members through our partner federations like MCN and VICTO

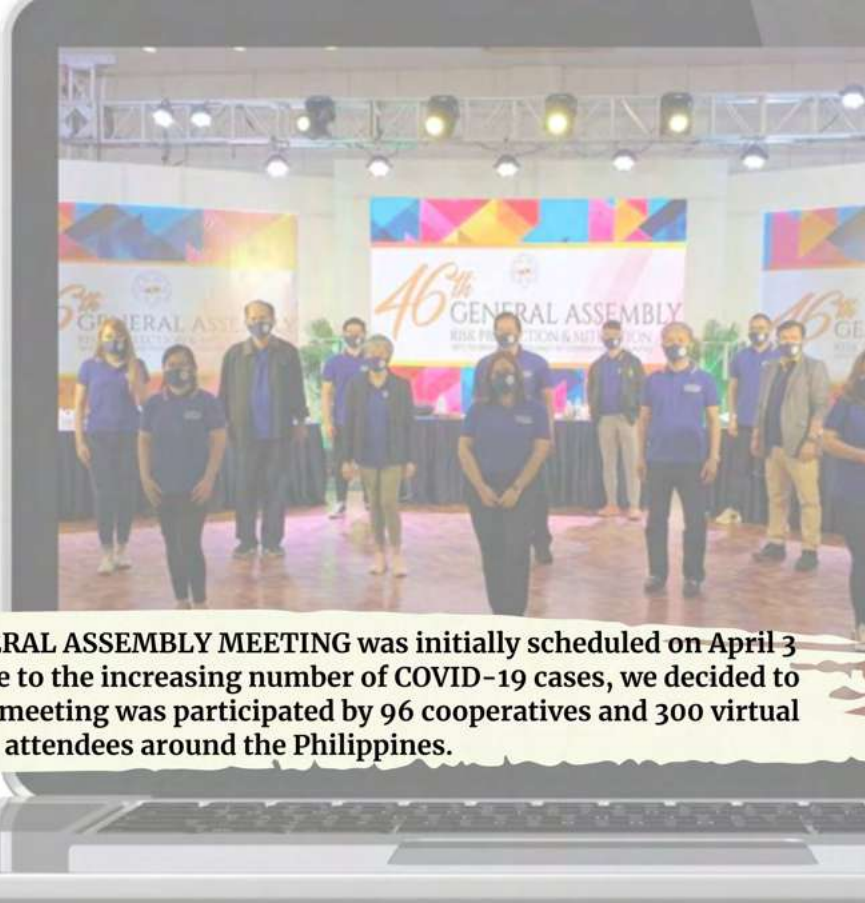
# 1CISP: FACES BEHIND THE MASK

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We, at 1CISP, continue to nurture employees' knowledge, skills, and attitude through continuous learning opportunities. Utilizing online channels and platforms made learning and enhancement possible.



# 1CISP: THE VIRTUAL ASSEMBLY MEETING



The 46TH ANNUAL GENERAL ASSEMBLY MEETING was initially scheduled on April 3 and 4, 2020. However, due to the increasing number of COVID-19 cases, we decided to hold it virtually. The said meeting was participated by 96 cooperatives and 300 virtual attendees around the Philippines.

## ‘1CISP GOES GREEN’

1CISP joined with the cooperatives around the world to celebrate the 2020 International Cooperative Month. In relation to this year’s theme: ‘The world goes green’, the ICA introduced the COOPERATIVES FOR CLIMATE ACTION. Started in 2018, this campaign is an initiative of International Cooperative Alliance Asia and Pacific Committee on Youth Cooperation (ICYC), to link youth and SDGs on a single platform and create an identity for cooperatives as a sustainable model for environment and society.



To support the campaign, 1CISP created a local project titled Greeneration YZ which aims to encourage more youth to plant trees and do different things to protect Mother Earth. Under this project, there were different activities: (1) DIY Pot Making Contest (2) 30 ways in 30 days and #Coops4ClimateAction. Each winner received ayuda packages up to P3,000 and insurance coverage up to P300,000.00

## FREE TWO MONTHS EXTENSION OF LOAN INSURANCE COVERAGE

With the implementation of Section 4 (aa) of Republic Act No. 11469, otherwise known as the Bayanihan to Heal as One Act (Bayanihan Act), we likewise extended the insurance coverage for Cooperatives patronizing the Loan Payment Protection Insurance (LPPI) for sixty (60) days FREE OF CHARGE.

The extension of two (2) months loan insurance coverage was effective July 1, 2020 and applicable to those Cooperatives that have written a letter of intent and deferred the collection of loan amortization for two (2) months during the Enhanced Community Quarantine.



# 1CISP VALUE ADDED SERVICES

During this difficult time, we found key opportunities in promoting our programs, products, and services, to wit:



a. **1 Koop Insurance Network or 1KIN** is a partnership between a cooperative and 1CISP that complement the coop's existing financial services. With the entry of insurance as a product line, it will complete the coops' financial loop, making them an all-inclusive service provider for the members.



b. **Young Leadership Program (YLP)** is a platform for young leaders to hone their leadership skills, ensuring future-ready cooperatives. It will provide support that aims to progress and advance cooperatives in the Philippines given all possible disruptions.

After the successful launch of the first advocacy campaign, #KwentoKo, in February 2020, wherein winners showcased their individual successful stories of being part of the cooperative movement, the YLP followed the campaign with #KwentongKoop, which aims to showcase the success stories of various individuals as members of a cooperative.



c. **DigiCOOP**, a fintech platform partly owned by 1CISP, allows online transactions such as lending, money transfers, policy issuance, and payment of premiums and claims.

This is a pioneering initiative in the Philippines wherein we initiated a partnership with Blockchain Company, Traxion, Inc. to digitalize the processes of Philippine cooperatives.

Moreover, digitalization should be a priority for cooperatives, therefore, we are hoping to strengthen the availment of DigiCoop by encouraging cooperatives to adopt the DigiCoop digital programs.

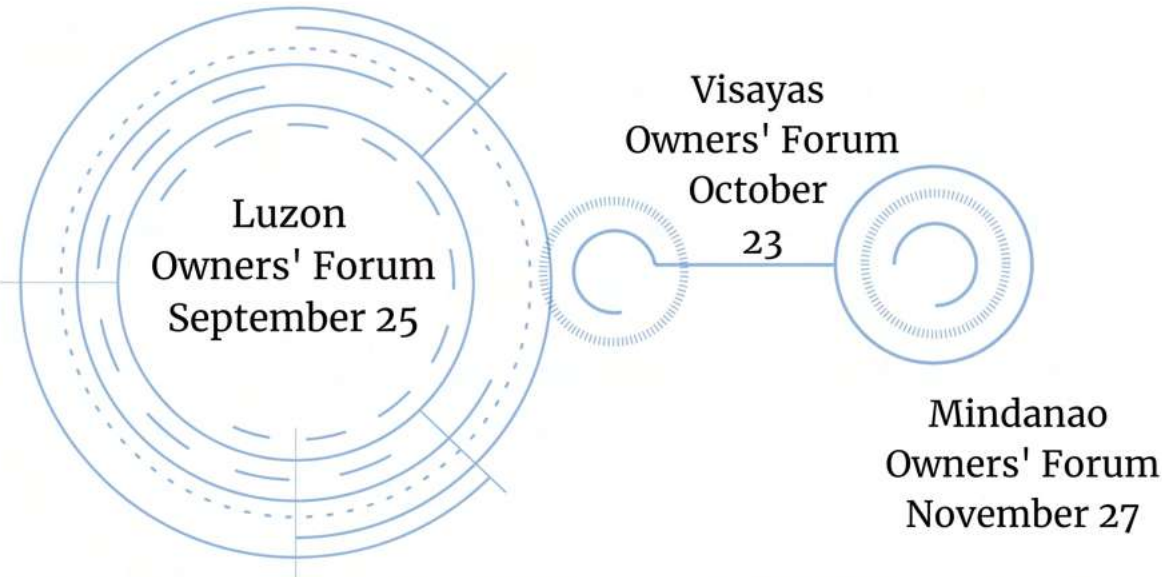


d. **1 Koop Mart** serves as another profit center for the coop while responding to the consumer needs of the individual members. The availability of 1KoopMart provides solution to the lack of access to basic necessities. 1CISP continues to provide value-added programs to its members.

# 1CISP: BEING PRESENT IN A VIRTUAL WORLD

1CISP believes that the best ways to achieve strong and harmonious relationship with its members are through the exercise of transparency and good governance principles, the practice of efficient and high-quality service, and active participation and interaction with our member-owners.

The Owners' Forum is annually conducted to update our members with the current operations and services especially during the COVID-19 quarantine period and for them to get to know more about 1CISP's latest projects. With the presence of the COVID-19 pandemic, we conducted it virtually:

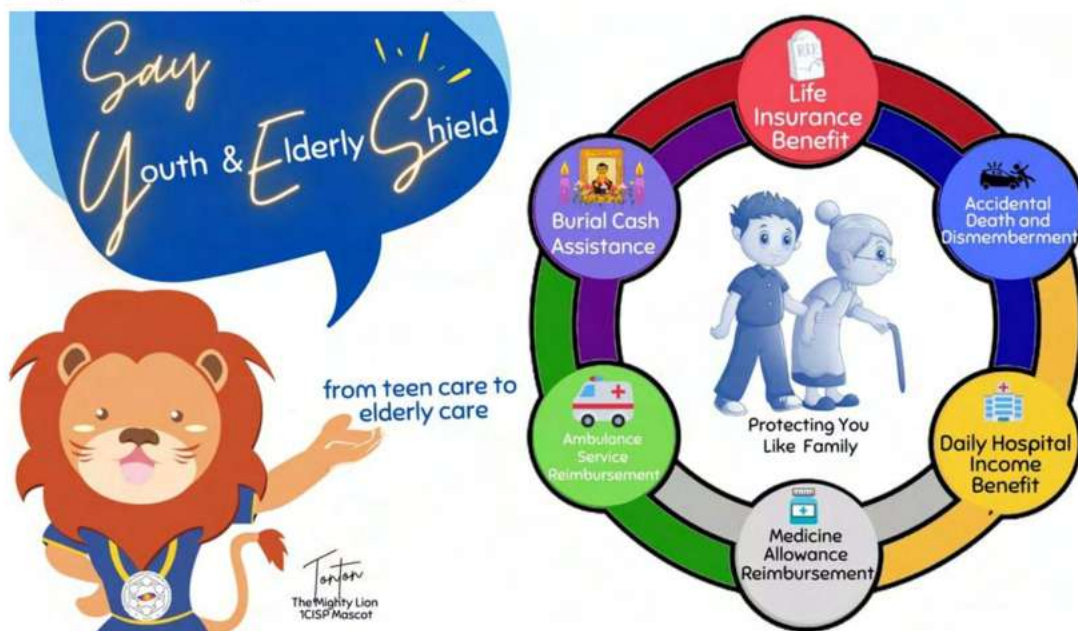


# 1CISP SAID Y.E.S

1CISP ensures that it is community-focused by listening to its customers and understanding their needs.

We, at 1CISP, together with CLIMBS and CHMF, answered the call of the Cooperative Development Authority and launched a new product that will cater the insurance needs of our elderly group.

Did you know? The average age of the members in a cooperative is between 40-50. For years, this elderly market segment of the cooperative has been neglected because of the common view on insurance. This was the inspiration on the development of the new insurance product that will cater the insurance needs of members aged 18 to 99 years old. This also serves as recognition to the contribution of the elderly who trust and support their respective cooperative for years.



## FREE TWO MONTHS EXTENSION OF LOAN INSURANCE COVERAGE

With the implementation of Section 4 (uu) of R.A. No. 11494 otherwise known as the Bayanihan to Recover As One Act, we further extended the insurance coverage for cooperatives patronizing the Loan Payment Protection Insurance (LPPI) until July 31, 2021.

The 1CISP did not charge additional premium for the 60-day insurance coverage extension to all policies of the member-cooperatives that have submitted a written letter of request.



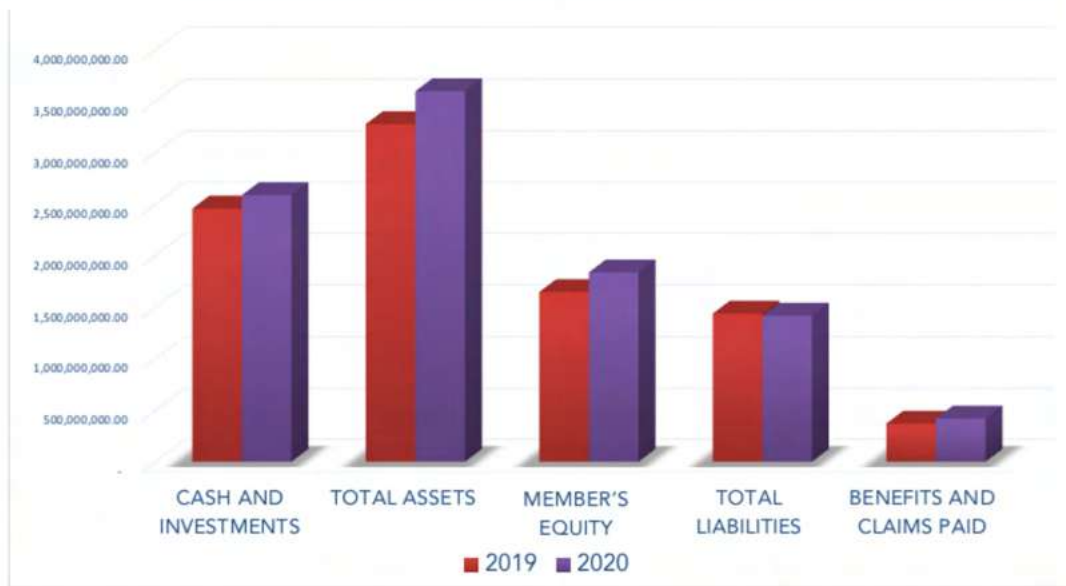


## 1CISP: A FRIEND THROUGH A TOUGH TIME

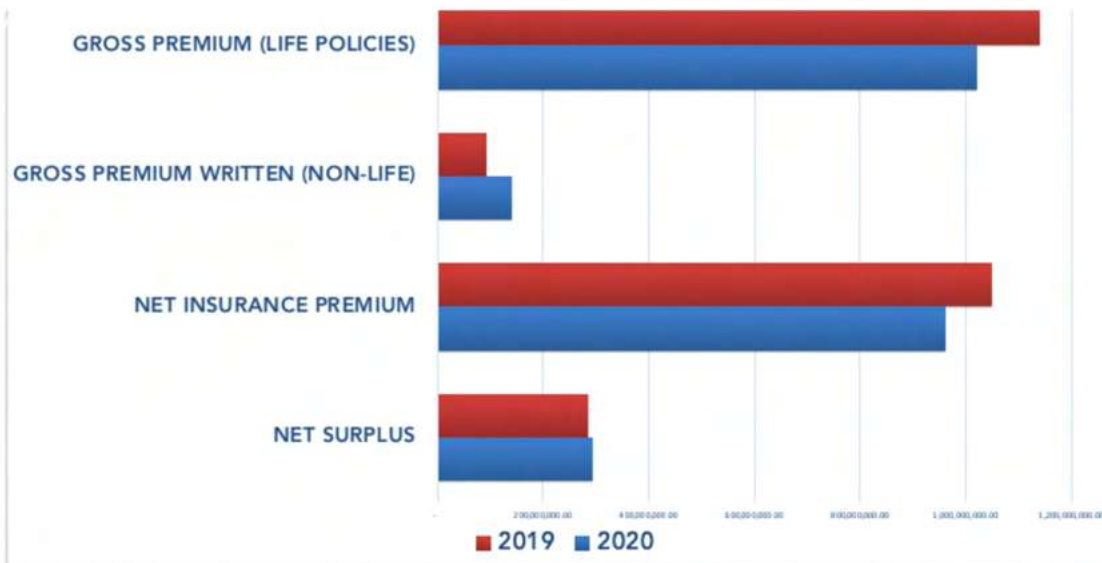
The onslaught of tropical typhoons has extremely affected individual members who are small-scale entrepreneurs and freelancers. To extend help, we donated to communities most affected by Typhoon Ulysses amounting to P1,150,000.00.

We have identified that the insurance product needed this time is Business Interruption Insurance. In partnership with GIZ, we enhanced our NegoSeguro business insurance product to NegoSeguro PLUS with the inclusion of flood coverage.

# 1CISP: FINDING GRATITUDE AMIDST A PANDEMIC



It is noteworthy to highlight the increase in benefits and claims paid which also covers P2.60Million claims due to COVID-19. A total of 10,080 claims were paid despite the challenges brought by the COVID-19 pandemic.



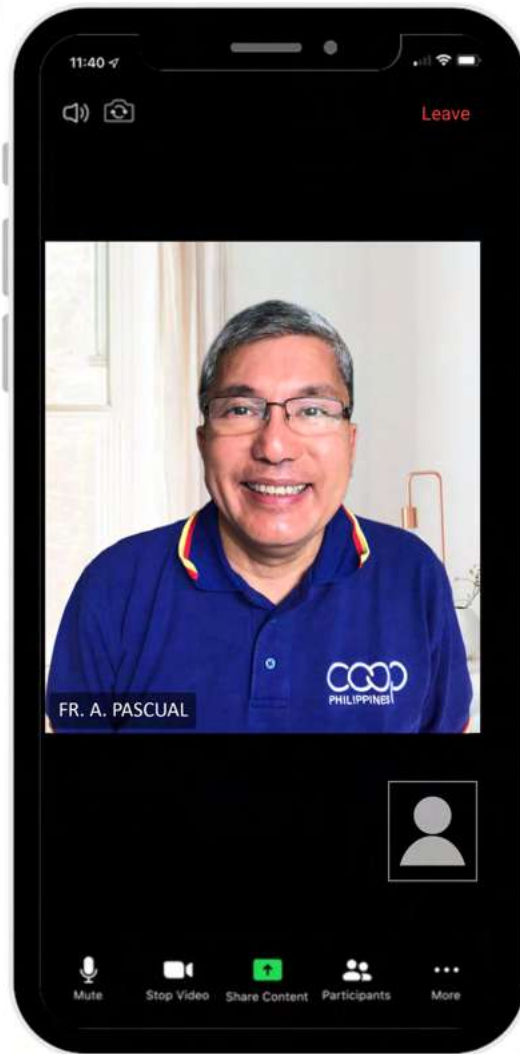
The decrease in the gross premium in life operations is a result of late remittances which was due to the COVID-19 restrictions in mobility. However, amidst the pandemic, we were still able to surpass our target and generate a total net surplus of P294Million.

In a resolution passed and approved by the Board of Directors subject to the confirmation by the General Assembly, the net surplus after statutory reserves will be distributed as follows:

- 8%** Dividend
- 6.89%** Patronage Refund and Experience Refund

# We are not only surviving, **WE ARE THRIVING IN THE NEW NORMAL**

**Rev. Fr. Antonio Cecilio T. Pascual**  
1CISP Chairperson



We want to integrate all cooperatives, large or small, millionaires and billionaires...Integration can happen NOW, we can do it, **TOGETHER**. Let us move from 'Talk-Say-Promise' to 'Show-Act-Prove'. **Together we can do more!**

**Roy S. Miclat**  
**1CISP President**

# 1 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES LIFE AND GENERAL INSURANCE

**FINANCIAL STATEMENTS**  
**December 31, 2020 and 2019**

With Independent Auditors' Report



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Philippines 1226  
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Internet [www.home.kpmg/ph](http://www.home.kpmg/ph)  
Email [ph-inquiry@kpmg.com](mailto:ph-inquiry@kpmg.com)

## REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Members  
**1 Cooperative Insurance System of the Philippine Life and General Insurance**  
No. 80 Malakas Street, Central District  
Quezon City

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of 1 Cooperative Insurance System of the Philippine Life and General Insurance (the Cooperative), which comprise the statement of financial condition as at December 31, 2020, and the statements of operations, changes in equity and cash flows for the year then ended, and notes, including significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial condition of the Cooperative as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Framework (PFRF) for Cooperatives.

#### *Basis for Opinion*

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

Firm Regulatory Registration & Accreditation:  
PRC-BOA Registration No. 0003, valid until November 21, 2023  
CDA Accreditation No. 056-AF, valid until April 5, 2023  
SEC Accreditation No. 0003-SEC, Group A, valid for five (5) years covering the audit of 2020 to 2024  
financial statements (2019 financial statements are covered by SEC Accreditation No. 0004-FR-5)  
IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024  
financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)  
BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024  
financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee

### *Other Matters*

The accompanying financial statements of the Cooperative as at and for the year ended December 31, 2019 were audited by another auditor who expressed an unqualified opinion on those statements on February 26, 2020.

### *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 PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

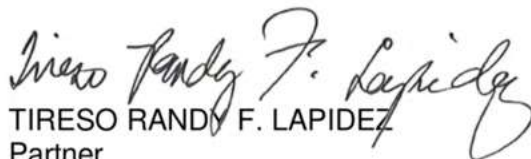
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Cooperative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Cooperative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### **Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 33 to the basic financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### **R.G. MANABAT & CO.**



TIRESO RANDY F. LAPIDEZ  
Partner

CPA License No. 0092183

IC Accreditation No. 92183-IC, Group A, valid for five (5) years  
covering the audit of 2019 to 2023 financial statements

CDA Accreditation No. 056-AF, valid until April 5, 2023

Tax Identification No. 162-411-175

BIR Accreditation No. 08-001987-034-2020

Issued July 20, 2020; valid until July 19, 2023

PTR No. MKT 8533905

Issued January 4, 2021 at Makati City

April 23, 2021

Makati City, Metro Manila

**1 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES**  
**LIFE AND GENERAL INSURANCE**  
**STATEMENTS OF FINANCIAL CONDITION**

		December 31	
	<i>Note</i>	2020	2019
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4, 25	<b>P1,473,980,236</b>	P1,598,897,904
Short-term investments	5, 25, 27	<b>490,166,618</b>	273,054,311
Insurance receivables	6, 25, 27	<b>135,072,566</b>	73,990,079
Reinsurance assets	7, 13, 25, 27	<b>98,473,653</b>	98,589,831
Loans and receivables	8, 25, 27	<b>79,300,395</b>	89,849,762
Financial assets	9, 25, 27	<b>133,155,352</b>	206,653,936
Deferred acquisition costs	10, 25	<b>19,263,494</b>	9,068,064
Other current assets	11, 25	<b>8,282,021</b>	4,401,871
<b>Total Current Assets</b>		<b>2,437,694,335</b>	2,354,505,758
<b>Noncurrent Assets</b>			
Loans receivables - net of current portion	8, 25, 27	<b>269,331,234</b>	294,959,936
Financial assets - net of current portion	9, 25, 27	<b>492,728,959</b>	376,911,216
Investment in associate	9, 25, 27	<b>55,000,000</b>	-
Property and equipment	12, 25	<b>303,130,031</b>	226,113,184
Other noncurrent assets	12, 25	<b>45,860,274</b>	27,703,174
<b>Total Noncurrent Assets</b>		<b>1,166,050,498</b>	925,687,510
		<b>P3,603,744,833</b>	P3,280,193,268
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Insurance contract liabilities	13, 25	<b>P565,404,402</b>	P620,179,859
Deferred commission income	10, 25	<b>2,975,282</b>	4,654,275
Due to reinsurers	14, 25, 27	<b>41,429,485</b>	83,716,586
Trade and other payables	15, 25, 27	<b>254,148,885</b>	221,570,325
Accrued expenses	16, 25	<b>38,588,392</b>	50,295,779
Other current liabilities	17, 25	<b>488,257,832</b>	448,903,434
<b>Total Current Liabilities</b>		<b>1,390,804,278</b>	1,429,320,258
<b>Noncurrent Liability</b>			
Retirement payable	18, 25	<b>32,682,175</b>	15,624,906
<b>Total Liabilities</b>		<b>P1,423,486,453</b>	P1,444,945,164

Forward



		December 31	
	<i>Note</i>	2020	2019
<b>Members' Equity</b>			
Paid-up share capital - common		<b>P1,831,372,000</b>	P1,637,147,000
Paid-up share capital - preferred		<b>8,461,000</b>	9,021,400
Contributed surplus		<b>85,298</b>	85,298
<b>Total Members' Equity</b>	<i>19, 25</i>	<b>1,839,918,298</b>	1,646,253,698
<b>Revaluation Surplus</b>	<i>12, 25</i>	<b>12,081,337</b>	12,081,337
<b>Remeasurement of Aggregate Reserves on Life Policies</b>	<i>13, 25</i>	<b>(1,494,999)</b>	-
<b>Statutory Funds</b>			
Reserve fund		<b>190,193,254</b>	110,553,058
Optional fund		<b>92,609,000</b>	32,567,166
Cooperative education and training fund		<b>29,268,235</b>	20,094,485
Community development fund		<b>17,683,255</b>	13,698,360
<b>Total Statutory Funds</b>	<i>25, 29</i>	<b>329,753,744</b>	176,913,069
<b>Total Equity</b>		<b>2,180,258,380</b>	1,835,248,104
		<b>P3,603,744,833</b>	P3,280,193,268

See Notes to the Financial Statements.

**1 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES**  
**LIFE AND GENERAL INSURANCE**  
**STATEMENTS OF OPERATIONS**

		Years Ended December 31	
	Note	2020	2019
<b>REVENUE</b>			
Net insurance premiums earned	20, 25	<b>P960,752,215</b>	P1,046,374,497
Other income	21, 25	<b>61,976,461</b>	67,865,915
		<b>1,022,728,676</b>	1,114,240,412
<b>BENEFITS, CLAIMS AND EXPENSES</b>			
Benefits and claims incurred on insurance contracts	22, 25	<b>420,508,878</b>	371,408,979
Change in aggregate reserves on life policies and miscellaneous reserves	13, 25	<b>(61,078,592)</b>	85,100,000
Net insurance benefits and claims		<b>359,430,286</b>	456,508,979
Underwriting expenses	10, 23, 25	<b>158,457,251</b>	189,187,284
Administrative costs	24, 25	<b>206,616,020</b>	174,984,454
Finance costs	15, 17, 25	<b>4,103,379</b>	6,649,482
		<b>728,606,936</b>	827,330,199
<b>NET SURPLUS</b>		<b>P294,121,740</b>	P286,910,213
<b>ALLOCATION OF NET SURPLUS</b>			
Interest on share capital and patronage refund payable		<b>P220,591,305</b>	P232,397,273
Reserve fund		<b>29,412,174</b>	28,691,021
Cooperative education and training fund		<b>14,706,087</b>	14,345,511
Community development fund		<b>8,823,652</b>	8,607,306
Optional fund		<b>20,588,522</b>	2,869,102
	29	<b>P294,121,740</b>	P286,910,213

*See Notes to the Financial Statements.*

**1 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES**  
**LIFE AND GENERAL INSURANCE**  
**STATEMENTS OF CHANGES IN EQUITY**

	Members' Equity (Note 19)					Remeasurement of Aggregate Reserves on Life Policies (Note 13)				Statutory Funds				Total Equity	
	Paid-up Share Capital - Common	Paid-up Share Capital - Preferred	Contributed Surplus	Revaluation Surplus (Note 12)	Reserve Fund	Cooperative Education and Training Fund	Community Development Fund	Optional Fund	Paid-up Share Capital - Common	Paid-up Share Capital - Preferred	Contributed Surplus	Revaluation Surplus (Note 12)	Reserve Fund		Cooperative Education and Training Fund
<b>Balance at January 1, 2020</b>	P1,637,147,000	P9,021,400	P85,298	P -	P12,081,337	P20,094,485	P13,698,360	P32,567,166	P1,835,248,104						
<b>Transaction with Members of the Cooperative</b>															
Issuance of shares	199,505,500	-	-	-	-	-	-	-	-	-	-	-	-	-	199,505,500
Withdrawals	(5,504,900)	(336,000)	-	-	-	-	-	-	-	-	-	-	-	-	(5,840,900)
Transfer to common shares	224,400	(224,400)	-	-	-	-	-	-	-	-	-	-	-	-	-
	194,225,000	(560,400)	-	-	-	-	-	-	-	-	-	-	-	-	193,664,600
<b>Net Surplus for Allocation</b>															
Allocation from net surplus during the year (Note 29)	-	-	-	-	-	14,706,087	8,823,652	20,588,522	79,530,435						(15,371,094)
Charges to the fund	-	-	-	-	-	(5,532,337)	(9,838,757)	-	(15,371,094)						-
	-	-	-	-	-	9,173,750	(1,015,105)	20,588,522	58,159,341						-
<b>Others</b>															
Remeasurement of aggregate reserves on life policies	-	-	-	(1,679,650)	-	-	-	-	(1,679,650)						-
Transfer from miscellaneous reserves (Note 13)	-	-	-	-	-	-	5,000,000	39,453,312	94,865,985						-
Transfer to remeasurement of aggregate reserves on life policies (Note 13)	-	-	-	184,651	-	-	(184,651)	-	-						-
	-	-	-	(1,494,999)	-	-	50,228,022	39,453,312	93,186,335						-
<b>Balance at December 31, 2020</b>	P1,831,372,000	P8,461,000	P85,298	(P1,494,999)	P12,081,337	P29,268,235	P17,683,255	P92,609,000	P2,180,258,380						

Forward

	Members' Equity (Note 19)				Statutory Funds					Total Equity
	Paid-up Share Capital - Common	Paid-up Share Capital - Preferred	Contributed Surplus	Deposit for Share Capital Subscription	Revaluation Surplus (Note 12)	Reserve Fund	Cooperative Education and Training Fund	Community Development Fund	Optional Fund	
Balance at January 1, 2019	P1,250,000,000	P12,740,100	P85,298	P287,894,966	P6,150,000	P81,862,037	P20,952,346	P16,913,589	P29,698,064	P1,706,296,400
Transaction with Members of the Cooperative										
Issuance of shares	389,869,000	-	-	(287,894,966)	-	-	-	-	-	101,974,034
Withdrawals	(6,245,900)	(194,800)	-	-	-	-	-	-	-	(6,440,700)
Transfer to common shares	3,523,900	(3,523,900)	-	-	-	-	-	-	-	-
	387,147,000	(3,718,700)	-	(287,894,966)	-	-	-	-	-	95,533,334
Net Surplus for Allocation										
Allocation from net surplus during the year (Note 29)	-	-	-	-	-	28,691,021	14,345,511	8,607,306	2,869,102	54,512,940
Charges to the fund	-	-	-	-	-	-	(15,203,372)	(11,822,535)	-	(27,025,907)
	-	-	-	-	-	28,691,021	(857,861)	(3,215,229)	2,869,102	27,487,033
Others										
Revaluation	-	-	-	-	5,931,337	-	-	-	-	5,931,337
Balance at December 31, 2019	P1,637,147,000	P9,021,400	P85,298	P -	P12,081,337	P110,553,058	P20,094,485	P13,698,360	P32,567,166	P1,835,248,104

**1 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES**  
**LIFE AND GENERAL INSURANCE**  
**STATEMENTS OF CASH FLOWS**

		Year Ended December 31	
	<i>Note</i>	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net surplus for the year		<b>P294,121,740</b>	P286,910,213
Adjustment for:			
Change in insurance contract liabilities		<b>38,410,878</b>	198,763,217
Probable losses	24	<b>47,019,599</b>	20,000,000
Retirement benefits expense	18, 24	<b>17,057,269</b>	7,895,434
Depreciation	12, 24	<b>5,628,508</b>	5,044,795
Finance costs	15, 17	<b>4,103,379</b>	6,649,482
Loss on disposal of property and equipment		<b>69,289</b>	-
Realized loss on disposal and maturities of financial assets	21	-	7,562,188
Change in deferred commission income		<b>(1,678,993)</b>	2,938,070
Unrealized gain fair value gain on financial assets at fair value through profit or loss	9, 21	<b>(1,697,386)</b>	(716,933)
Change in deferred acquisition costs		<b>(10,195,430)</b>	(9,068,064)
Interest income	21	<b>(45,243,151)</b>	(59,425,499)
		<b>347,595,702</b>	466,552,903
Changes in:			
Insurance receivables		<b>(62,769,560)</b>	(22,080,132)
Reinsurance assets		<b>116,178</b>	(50,042,370)
Other current assets		<b>(3,880,150)</b>	(698,082)
Loans and receivables		<b>6,445,386</b>	8,945,607
Due to reinsurers		<b>(42,287,101)</b>	53,780,923
Trade and other payables		<b>81,102,110</b>	30,124,753
Accrued expenses		<b>(11,707,387)</b>	24,833,748
Other current liabilities		<b>53,838,955</b>	62,070,890
		<b>368,454,133</b>	573,488,240
Interest received		<b>45,243,151</b>	59,425,499
Interest paid		<b>(2,366,050)</b>	-
Net cash provided by operating activities		<b>411,331,234</b>	632,913,739
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisitions of:			
Short-term investments		<b>(244,737,994)</b>	-
Financial assets at amortized cost	9	<b>(218,626,021)</b>	(73,173,482)
Property and equipment	12	<b>(82,714,644)</b>	(151,110,034)
Financial assets at cost	9	<b>(19,250,000)</b>	(210,780,000)
Financial assets at fair value through profit or loss	9	-	(17,877,873)
Proceeds from disposal and maturities of:			
Financial assets at amortized cost		<b>126,654,405</b>	80,202,958
Short-term investments		<b>27,625,687</b>	191,386,247
Financial assets at cost		-	43,605,171
Payment for advances to contractors		<b>(18,157,100)</b>	(5,616,986)
Net cash used in investing activities		<b>(429,205,667)</b>	(143,363,999)

Forward

	<b>Year Ended December 31</b>		
	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issuances of share capital		<b>P162,061,903</b>	P72,353,857
Proceeds from loans payable	15	<b>83,500,000</b>	130,000,000
Payments of share withdrawals		<b>(5,840,900)</b>	(6,440,700)
Disbursements from statutory funds		<b>(15,371,094)</b>	(27,025,907)
Payment of loans payable		<b>(130,000,000)</b>	-
Payments of interest on share capital and patronage refund	17	<b>(201,393,144)</b>	(133,681,180)
Net cash (used in) provided by financing activities		<b>(107,043,235)</b>	35,206,070
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(124,917,668)</b>	524,755,810
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>1,598,897,904</b>	1,074,142,094
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>P1,473,980,236</b>	P1,598,897,904

*See Notes to the Financial Statements.*

**1 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES**  
**LIFE AND GENERAL INSURANCE**  
**NOTES TO FINANCIAL STATEMENTS**

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**1. Cooperative Information**

1 Cooperative Insurance System of the Philippines Life and General Insurance (the Cooperative) is a secondary cooperative committed to deliver security to members of cooperatives, labor unions and cooperative-oriented groups and organizations through insurance packages. It was organized to promote and engage in the service of life and general insurance as a cooperative undertaking, including all its various types, kinds, branches, divisions and other incidents.

The Cooperative was founded on January 25, 1974 and obtained its first Certificate of Authority to operate as a life insurance cooperative from the Insurance Commission (IC) on September 30, 1974. The Cooperative was registered with the Department of Local Government and Community Development on April 5, 1975 under Presidential Decree No. 175. In accordance with the provisions of Republic Act (R.A.) No. 6938, *Cooperative Code of the Philippines* and R.A. No. 6939, *An Act Creating the Cooperative Development Authority (CDA)*, it was registered as a cooperative on December 4, 1991 with the CDA. Pursuant to CDA Memorandum Circular (MC) No. 2010-05, *Policy Guidelines in the Mandatory Amendments of Articles of Cooperation and By-Laws of Cooperatives and Prescribing the Registration Thereof to Conform with R.A. 9520, Philippine Cooperative Code of 2008* (the Cooperative Code), the Cooperative complied with the mandatory filing for the registration of amendments of Articles of Cooperation and By-laws and registered with CDA under the Cooperative Code (Registration No. 9520-16000011) on September 22, 2009. On March 7, 2018 the IC issued a composite Certificate of Authority to the Cooperative to operate as a life and general insurance cooperative with Certificate of Authority No. 2018/01-0, effective from July 7, 2018 to December 31, 2020 which was renewed for additional three (3) years from January 1, 2021 to December 31, 2023 under Certificate of Authority No. 2021/01-R. In August 2018, the Cooperative commenced the operation of its nonlife business.

In accordance with the Cooperative Code, cooperatives are exempted from the payment of all national, city, provincial, municipal or barangay taxes of whatever name and nature, including exemption from custom duties, advance sales or 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. Cooperatives shall enjoy tax exemptions from government taxes of fees imposed under the internal revenue laws provided that they do not transact with nonmembers or the general public. Cooperatives, if transacting business with nonmembers or the general public, may be exempted from tax if their accumulated reserves and undivided net savings do not exceed P10.00 million.

The Cooperative is a holder of a certificate of tax exemption issued by the Bureau of Internal Revenue (BIR) dated July 15, 2010 stating that as a cooperative transacting with members only, it is entitled to the tax exemptions and incentives provided for under Articles 60 of the Cooperative Code, as implemented by Section 7 of Joint Rules and Regulations Implementing Articles 60, 61, and 144 of the Cooperative Code. The Cooperative's certificate of tax exemption was renewed on June 17, 2016 for five (5) years until June 17, 2021.

The Cooperative's head office is located at No. 80 Malakas Street, Central District, Quezon City. It has regional offices in almost all regions in the Philippines.

On April 27, 2018, the Cooperative registered its first and only branch office located at Fernandez St., Cagayan de Oro, Misamis Oriental. The branch started its operations in September 2019.

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## 2. Basis of Preparation

### Basis of Accounting

These financial statements of the Cooperative have been prepared in accordance with the Philippine Financial Reporting Framework (PFRF) for Cooperatives. They were authorized for issue by the Cooperative's board of directors (BOD) on April 23, 2021.

Discussed in Note 30 are the cooperative laws, rules, regulations and principles that were adopted in the preparation of these financial statements in addition to PFRF for Cooperatives.

Details of the Cooperative's significant accounting policies are described in Note 31.

### Basis of Measurement

These financial statements have been prepared on the historical cost basis, except for the following items, which are measured on another basis at each reporting date.

Items	Measurement Bases
Financial assets at fair value through profit or loss (FVPL)	Fair value
Land	Revalued amount less accumulated impairment losses
Aggregate reserves for life policies	Present value of future benefits and expenses less the present value of future gross premiums arising from the policy discounted at appropriate risk-free discount rate
Retirement payable	Present value of the defined benefit obligation (DBO) less fair value of plan assets (FVPA)

### Functional and Presentation Currency

These financial statements are presented in Philippine peso, which is the Cooperative's functional currency. All amounts have been rounded off to the nearest peso, unless otherwise indicated.

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## 3. Use of Judgments and Estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Cooperative's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.



### Judgment

Information about a judgment made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is as follows:

#### *Classifying Financial Instruments*

The Cooperative exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and the definition of a financial asset, financial liability or equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statement of financial condition.

#### Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is as follows:

#### *Determination of Fair Value of Financial Assets at FVPL*

The Cooperative classifies financial assets by evaluating, among others, whether a financial asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination of whether quoted prices are readily and regularly available, whether the market from which the price quotes were obtained can be considered deep enough to qualify as an "active" market, and whether those prices represent actual and regularly occurring market transactions on an arms' length basis.

Further details on the carrying amount of financial assets at FVPL are disclosed in Note 9.

#### *Estimation of Allowance for Probable Losses on Insurance Receivables*

The Cooperative maintains allowance for impairment loss at a level considered adequate to provide for potential uncollectible insurance receivables. The level of this allowance is evaluated by management on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, significant financial difficulties or bankruptcy, the counterparties' payment behavior and other known market factors. The Cooperative identifies and provides for specific accounts that are doubtful of collection and reviews the age and status of the remaining receivables and establishes a provision considering, among others, historical collection and write-off experience.

Further details on the carrying amount of insurance receivables are disclosed in Note 6.

#### *Estimation of Allowance for Probable Losses on Financial Assets Other Than Insurance Receivables*

The Cooperative treats financial assets at cost as impaired when there has been a significant or prolonged decline in the fair value below its cost or when other objective evidence of impairment exists. The determination of what is significant or prolonged requires judgment. Impairment may be appropriate when there is evidence of deterioration in the industry and sector performance.

Further details on the carrying amount of reinsurance assets, loans and receivables, financial assets and investment in associate are disclosed in Notes 7, 8 and 9, respectively.

#### *Estimation of Useful Lives of Property and Equipment*

The Cooperative estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimates are based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives of property and equipment are reviewed at each reporting date and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. Future results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned above. The amount and timing of recording of depreciation expense for any period would be affected by changes in these factors and circumstances.

Further details on the carrying amount of property and equipment are disclosed in Note 12.

#### *Determination of Fair Value of Land under Property and Equipment*

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.

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.

Further details on the carrying amount of land and the approach in determining the appraised value of land are disclosed in Note 12.

#### *Impairment of Nonfinancial Assets*

The Cooperative assesses impairment on its nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Cooperative considers in deciding whether to perform an asset impairment review include the following:

- significant underperformance relative to the expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. Recoverable amount represents the value in use, determined as the present value of estimated future cash flows expected to be generated from the continued use of the assets. The estimated cash flows are projected using growth rates based on historical experience and business plans and are discounted using pretax discount rates that reflect the current assessment of the time value of money and the risks specific to the assets.

Further details on the carrying amount of property and equipment are disclosed in Note 12.

#### *Provision for Aggregate Reserves for Life Policies*

The estimation of the ultimate liability arising from claims made under life insurance contracts is one of the Cooperative's critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimation of the liability that the Cooperative will ultimately pay for those claims.

The liability for the life insurance contracts is determined in accordance with the set of valuation standards as required by the IC. At each reporting date, the estimate is reassessed for adequacy and changes will be reflected in adjustments to the liability. The main assumptions used relate to mortality, morbidity, expenses, persistency rates, and discount rates.

In determining the liability for life insurance contracts, it is ensured that the valuation method and assumptions are appropriate to the type of business and its risk profile and that appropriate margins for adverse deviations are included. The mortality and morbidity assumptions take into consideration the Cooperative's experience and are based on standard mortality and morbidity tables acceptable to the IC. Expense as well as persistency assumptions used are based on the pricing of the Cooperative's products submitted to IC, adjusted for adverse deviation. On the other hand, risk-free discount rates used for all cash flows to calculate the value of future liabilities are prescribed by the IC, further adjusted to include a provision for adverse deviation.

Aggregate reserves for life policies are conservatively calculated in accordance with the requirements of R.A. No. 10607, *The Insurance Code*. The Liability Adequacy Test (LAT) was performed using current best estimates on interest, mortality, lapsation and expenses.

Further details on the carrying amount of aggregate reserves for life policies are disclosed in Note 13.

#### *Recognition of Insurance Payables*

Estimates have to be made both for the expected ultimate cost of claims reported at the reporting date. The main assumption underlying the estimation of the claims provisions is that the Cooperative's past claims development experience can be used to project future claims development and hence ultimate claim costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and number of claims based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analyzed by accident years, but can also be further analyzed by geographical area, as well as by significant business lines and claims types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjusted estimates or separately projected in order to reflect their future development. In these cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios.

Instead, the assumptions used are those implicit in the historic claims development data on which the projections are based.

Further details on the carrying amount of insurance payables are disclosed in Note 13.

#### *Provision for Incurred but not Reported (IBNR) Claims*

Estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of IBNR claims at the reporting date. It can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies, IBNR claims form the majority of the claims provision.

The primary technique adopted in estimating the ultimate cost of IBNR is chain ladder method for life insurance contracts and combination of chain ladder method and expected loss ratio for non-life products to predict the future claims settlement. At each reporting date, prior year claims estimates are reassessed for adequacy and changes made are charged to provision.

Further details on the carrying amount of IBNR claims are disclosed in Note 13.

#### *Retirement Payable*

The determination of the Cooperative's retirement payable and retirement benefits expense depends on a number of factors that are determined on an actuarial basis using a number of assumptions in calculating such amounts. The Cooperative's assumptions are believed to be reasonable and appropriate. Significant differences in actual experience or significant changes in assumptions may materially affect the Cooperative's retirement payable and retirement benefits expense.

Further details on the carrying amount of retirement payable are disclosed in Note 18.

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#### **4. Cash and Cash Equivalents**

	<i>Note</i>	<b>2020</b>	2019
Cash in banks	27	<b>P1,179,250,683</b>	P1,151,852,804
Cash equivalents	27	<b>218,879,911</b>	379,028,991
Revolving fund	27	<b>75,804,642</b>	67,971,109
Petty cash fund		<b>45,000</b>	45,000
	25	<b>P1,473,980,236</b>	P1,598,897,904

Cash in banks earn interest at prevailing bank deposit rates. Interest income earned on cash in banks amounted to P6.49 million and P4.75 million in 2020 and 2019, respectively (see Note 21).

Cash equivalents are made for varying periods of up to 3 months depending on the immediate cash requirement of the Cooperative and earn interest at the respective short-term placements rates ranging from 1.00% to 7.50% and 1.75% to 7.50% per annum in 2020 and 2019, respectively. Interest income earned on cash equivalents and short-term investments amounted to P16.29 million and P27.74 million in 2020 and 2019, respectively (see Note 21).

## 5. Short-term Investments

Short-term investments amounting to P490.17 million and P273.05 million as at December 31, 2020 and 2019, respectively are investments in time deposits with a term of more than 3 months but not more than one (1) year from the date of acquisition. Interest rates of short-term investments range from 1.75% to 10.00% and 1.75% to 7.00% per annum in 2020 and 2019, respectively. Interest income earned on cash equivalents and short-term investments amounted to P16.29 million and P27.74 million in 2020 and 2019, respectively (see Note 21).

## 6. Insurance Receivables

This account consists of:

	<i>Note</i>	2020	2019
Premium receivables		<b>P120,615,539</b>	P54,980,620
Due from reinsurers		<b>21,362,710</b>	24,228,069
		<b>141,978,249</b>	79,208,689
Allowance for probable losses		<b>(6,905,683)</b>	(5,218,610)
	25, 27	<b>P135,072,566</b>	P73,990,079

Premium receivables represent premiums due and uncollected at the end of the reporting period on all policies which are classified as in force. These are due and demandable and expected to be collected within the grace period.

Due from reinsurers represent the reinsurers' share in benefits and claims incurred on insurance contracts. These are due and demandable, and expected to be collected within the next reporting period.

### *Allowance for Probable Losses and Aging*

Movements of allowance for probable losses are as follows:

	<i>Note</i>	2020	2019
Balance at beginning of year		<b>P5,218,610</b>	P5,218,610
Provision	24	<b>1,687,073</b>	-
Balance at end of year		<b>P6,905,683</b>	P5,218,610

Aging of insurance receivables as December 31, 2020 and 2019 using portfolio at risk is as follows:

	2020	2019
Current	<b>P132,090,050</b>	P67,580,092
Past Due:		
Less than 31 days	<b>1,048,175</b>	4,243,145
31 to 365 days	<b>2,975,909</b>	2,164,527
More than 365 days	<b>5,864,115</b>	5,220,925
	<b>9,888,199</b>	11,628,597
	<b>P141,978,249</b>	P79,208,689

## 7. Reinsurance Assets

This account consists of:

	<i>Note</i>	<b>2020</b>	2019
Reinsurance recoverable on unpaid losses	13	<b>P90,738,042</b>	P84,476,592
Deferred reinsurance premiums		<b>7,735,611</b>	14,113,239
	25, 27	<b>P98,473,653</b>	P98,589,831

Reinsurance recoverable on unpaid losses pertain to estimated recoverable amounts from reinsurers for its share in insurance contract liabilities.

Deferred reinsurance premiums pertain to the unexpired portion of insurance premiums ceded out at reporting date. The details and movements are as follows:

	<i>Note</i>	<b>2020</b>	2019
Balance at beginning of year		<b>P14,113,239</b>	P8,367,827
Increase in deferred reinsurance premium:			
Premiums ceded for the year		<b>16,123,072</b>	26,714,415
Premiums ceded related for the expired periods		<b>(22,500,700)</b>	(20,969,003)
	20	<b>(6,377,628)</b>	5,745,412
Balance at end of year		<b>P7,735,611</b>	P14,113,239

## 8. Loans and Receivables

This account consists of:

	<i>Note</i>	<b>2020</b>	2019
<b>Current</b>			
Accounts receivable	27	<b>P57,659,483</b>	P41,952,816
Receivable from closed banks	27	<b>18,219,953</b>	11,833,130
Loans receivable	27	<b>18,198,629</b>	42,122,931
Accrued interest	27	<b>4,637,356</b>	10,382,616
Advances to officers and employees		<b>331,749</b>	333,288
		<b>99,047,170</b>	106,624,781
Less allowance for probable losses	27	<b>(19,746,775)</b>	(16,775,019)
		<b>79,300,395</b>	89,849,762
<b>Noncurrent</b>			
Loans receivable	27	<b>316,092,161</b>	314,959,936
Less allowance for probable losses	27	<b>(46,760,927)</b>	(20,000,000)
		<b>269,331,234</b>	294,959,936
	25	<b>P348,631,629</b>	P384,809,698

Accounts receivable pertain to short-term interest bearing loans granted to qualified employees. Interest rates for loan to employees range from 6.00% to 8.00% per annum.

Loans receivable pertain to credit assistance granted to the Cooperative's members. The loans earn annual interest rate of 6.00% with terms of 5 to 15 years.

Receivable from closed banks pertains to the Cooperative's outstanding claims from closed depository banks.

Advances to officers and employees pertain to advances for office-related expenses and official business transactions which are subject to liquidation.

Interest income earned on loans and receivables amounted to P13.63 million and P23.60 million in 2020 and 2019, respectively (see Note 21).

*Allowance for Probable Losses and Aging*

Movements of allowance for probable losses are as follows:

	<b>Note</b>	<b>2020</b>	2019
Balance at beginning of year		<b>P36,775,019</b>	P16,775,019
Provision	24	<b>29,732,683</b>	20,000,000
Balance at end of year		<b>P66,507,702</b>	P36,775,019

Aging of loans and receivables as December 31, 2020 and 2019 using portfolio at risk is as follows:

	<b>2020</b>	2019
Current	<b>P408,937,391</b>	P415,477,327
Past Due:		
Less than 31 days	-	-
31 to 365 days	<b>766,502</b>	383,519
More than 365 days	<b>5,435,438</b>	5,723,871
	<b>6,201,940</b>	6,107,390
	<b>P415,139,331</b>	P421,584,717

## 9. Financial Assets

This account consists of:

	<b>Note</b>	<b>2020</b>	2019
<b>Current</b>			
Financial assets at cost		<b>P58,030,000</b>	P38,780,000
Financial assets at FVPL		<b>44,606,878</b>	P42,762,032
Financial assets at amortized cost		<b>30,518,474</b>	125,111,904
		<b>133,155,352</b>	206,653,936
<b>Noncurrent</b>			
Financial assets at amortized cost		<b>335,266,797</b>	148,701,751
Financial assets at cost		<b>157,462,162</b>	228,209,465
		<b>492,728,959</b>	376,911,216
	25, 27	<b>P625,884,311</b>	P583,565,152

#### Financial Assets at FVPL

Movements of financial assets at FVPL are as follows:

	<i>Note</i>	<b>2020</b>	2019
Balance at beginning of year		<b>P42,762,032</b>	P24,167,226
Additions		-	17,877,873
Reclassification		<b>147,460</b>	-
Unrealized fair value gain	21	<b>1,697,386</b>	716,933
	25, 27	<b>P44,606,878</b>	P42,762,032

Financial assets at FVPL include investments in publicly-traded securities which are measured at fair value based on Philippine Stock Exchange quoted prices.

#### Financial Assets at Amortized Cost

Movements of financial assets at amortized cost are as follows:

	<i>Note</i>	<b>2020</b>	2019
Balance at beginning of year		<b>P273,813,655</b>	P244,245,344
Additions		<b>218,626,021</b>	73,173,482
Maturities		<b>(126,654,405)</b>	(43,605,171)
	25, 27	<b>P365,785,271</b>	P273,813,655

Interest income earned on financial assets at amortized cost amounted to P8.84 million and P3.34 million in 2020 and 2019, respectively (see Note 21).

#### Financial Assets at Cost

Movements of financial assets at cost are as follows:

	<i>Note</i>	<b>2020</b>	2019
<b>Current</b>			
Balance at beginning of year		<b>P38,780,000</b>	P71,861,549
Additions		<b>19,250,000</b>	3,780,000
Redemption		-	(36,861,549)
Balance at end of year		<b>58,030,000</b>	38,780,000
<b>Noncurrent</b>			
Balance at beginning of year		<b>237,477,875</b>	81,381,472
Reclassification to financial assets at FVPL		<b>(147,460)</b>	-
Reclassification to investment in associate		<b>(55,000,000)</b>	-
Additions		-	207,000,000
Withdrawals		-	(50,903,597)
Balance at end of year		<b>182,330,415</b>	237,477,875
Less allowance for probable losses		<b>(24,868,253)</b>	(9,268,410)
		<b>157,462,162</b>	228,209,465
	25, 27	<b>P215,492,162</b>	P266,989,465

Financial assets at cost presented as current assets represent investment in mutual fund. Financial assets at cost presented as noncurrent assets include investments in shares which are not quoted in an active market and are expected to be realized in more than one year.



Movements of allowance for probable losses are as follows:

	<i>Note</i>	<b>2020</b>	2019
Balance at beginning of year		<b>P9,268,410</b>	P9,268,410
Provision	24	<b>15,599,843</b>	-
Balance at end of year		<b>P24,868,253</b>	P9,268,410

Investment in Associate

Investment in associate amounting to P55.00 million as at December 31, 2020 refers to the Cooperative's investment in entities where it holds 20.00% to 50.00% in the voting shares (see Note 27).

## 10. Deferred Acquisition Costs and Deferred Commission Income

Deferred Acquisition Costs

Deferred acquisition costs represent the unamortized portion of underwriting expense for policies in force as at reporting date which is expected to be recognized as expense in the next reporting period.

The movements of this account are as follows:

	<b>2020</b>	2019
Balance at beginning of year	<b>P9,068,064</b>	P -
Commissions deferred for the year	<b>28,507,877</b>	16,156,708
Commissions incurred for the year	<b>(18,312,447)</b>	(7,088,644)
Balance at end of year	<b>P19,263,494</b>	P9,068,064

Deferred Commission Income

Deferred commission income represents the unearned portion of commission income from outward reinsurance agreements.

The movements of this account are as follows:

	<b>2020</b>	2019
Balance at beginning of year	<b>P4,654,275</b>	P1,716,205
Commissions accrued for the year	<b>4,314,617</b>	9,518,808
Commissions earned for the year	<b>(5,993,610)</b>	(6,580,738)
Balance at end of year	<b>P2,975,282</b>	P4,654,275

## 11. Other Current Assets

This account consists of:

	<b>2020</b>	2019
Unused supplies	<b>P4,004,947</b>	P1,841,748
Deposit to suppliers	<b>2,725,193</b>	733,949
Prepaid expenses	<b>1,551,881</b>	1,826,174
	<b>P8,282,021</b>	P4,401,871

## 12. Property and Equipment

The movements in this account follow:

	2020					Total
	Land (at appraised value)	Building and Improvements	Furniture, Fixture and Office Equipment	Transportation Equipment	Construction- in-Progress	
<b>Cost</b>						
Balances at beginning of year	P43,677,083	P35,589,951	P42,632,799	P5,939,900	P126,188,932	P254,028,665
Additions	-	2,565,817	18,819,920	-	61,328,907	82,714,644
Disposals	-	-	(129,124)	-	-	(129,124)
Balance at end of year	43,677,083	38,155,768	61,323,595	5,939,900	187,517,839	336,614,185
<b>Accumulated Depreciation</b>						
Balances at beginning of year	-	8,100,767	16,942,297	2,872,417	-	27,915,481
Depreciation	-	451,056	4,000,752	1,176,700	-	5,628,508
Disposals	-	-	(59,835)	-	-	(59,835)
Balance at end of year	-	8,551,823	20,883,214	4,049,117	-	33,484,154
<b>Carrying Amount</b>	<b>P43,677,083</b>	<b>P29,603,945</b>	<b>P40,440,381</b>	<b>P1,890,783</b>	<b>P187,517,839</b>	<b>P303,130,031</b>

	2019					Total
	Land (at appraised value)	Building and Improvements	Furniture, Fixture and Office Equipment	Transportation Equipment	Construction- in-Progress	
<b>Cost</b>						
Balances at beginning of year	P37,745,746	P20,882,996	P21,049,591	P5,939,900	P11,369,061	P96,987,294
Additions	-	14,706,955	21,583,208	-	114,819,871	151,110,034
Revaluation	5,931,337	-	-	-	-	5,931,337
Balance at end of year	43,677,083	35,589,951	42,632,799	5,939,900	126,188,932	254,028,665
<b>Accumulated Depreciation</b>						
Balances at beginning of year	-	7,172,980	14,009,489	1,688,217	-	22,870,686
Depreciation	-	927,787	2,932,808	1,184,200	-	5,044,795
Balance at end of year	-	8,100,767	16,942,297	2,872,417	-	27,915,481
<b>Carrying Amount</b>	<b>P43,677,083</b>	<b>P27,489,184</b>	<b>P25,690,502</b>	<b>P3,067,483</b>	<b>P126,188,932</b>	<b>P226,113,184</b>

The latest appraisal of land by an independent appraiser was made on February 24, 2020. The fair value of the land was arrived 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.

If the land was carried at costs, the carrying amount would be P31.60 million as at December 31, 2020 and 2019. The cumulative revaluation surplus on land amounted to P12.08 million as at December 31, 2020 and 2019, respectively.

Advances to contractors presented under "Other noncurrent assets" in the statement of financial condition amounting to P45.86 million and P27.70 million as at December 31, 2020 and 2019, respectively will be applied against future billings for the construction-in-progress.

The Cooperative has no contractual commitments except those arising from the construction-in-progress as at December 31, 2020 and 2019.

The Cooperative has no restricted assets or assets pledged as security for liabilities as at December 31, 2020 and 2019.

### 13. Insurance Contract Liabilities

This account consists of:

	<i>Note</i>	2020	2019
Aggregate reserves for life policies		<b>P280,286,850</b>	P336,509,681
Insurance payables	27	<b>205,717,307</b>	136,278,837
Reserve for unearned premiums		<b>79,400,245</b>	52,525,356
Miscellaneous reserves		-	94,865,985
	25	<b>P565,404,402</b>	P620,179,859

The gross insurance contract liabilities and reinsurer's share are broken down as follows:

	2020		Net
	Insurance Contract Liabilities	Reinsurer's Share (see Note 7)	
Aggregate reserves for life policies	<b>P280,286,850</b>	<b>P71,283,039</b>	<b>P209,003,811</b>
Insurance payables:			
Policy and contract claims	82,834,621	5,751,799	77,082,822
IBNR claims	122,882,686	13,703,204	109,179,482
	<b>205,717,307</b>	<b>19,455,003</b>	<b>186,262,304</b>
Reserve for unearned premiums	<b>79,400,245</b>	<b>7,735,611</b>	<b>71,664,634</b>
	<b>P565,404,402</b>	<b>P98,473,653</b>	<b>P466,930,749</b>
	2019		
	Insurance Contract Liabilities	Reinsurer's Share (see Note 7)	Net
Aggregate reserves for life policies	P336,509,681	P68,106,924	P268,402,757
Miscellaneous reserves	94,865,985	-	94,865,985
Insurance payables:			-
Policy and contract claims	51,319,070	6,329,458	44,989,612
IBNR claims	84,959,767	10,040,210	74,919,557
	136,278,837	16,369,668	119,909,169
Reserve for unearned premiums	52,525,356	14,113,239	38,412,117
	P620,179,859	P98,589,831	P521,590,028

### Life Insurance Contract Liabilities

Insurance contract liabilities for life operations may be analyzed as follows:

	<b>Note</b>	<b>2020</b>	<b>2019</b>
Aggregate reserves for life policies:			
Individual		<b>P3,671,382</b>	P348,145
Group		<b>276,615,468</b>	336,161,536
		<b>280,286,850</b>	336,509,681
Miscellaneous reserves		-	94,865,985
Insurance payables:			
Policy and contract claims		<b>77,670,167</b>	38,758,942
IBNR claims		<b>79,460,023</b>	59,538,348
		<b>157,130,190</b>	98,297,290
	<b>25</b>	<b>P437,417,040</b>	P529,672,956

The movement of aggregate reserves for life policies are as follows:

	<b>2020</b>	<b>2019</b>
Balance at beginning of year	<b>P336,509,681</b>	P199,904,193
Remeasurement	<b>1,679,650</b>	-
(Decrease) increase	<b>(57,902,481)</b>	136,605,488
Balance at end of year	<b>P280,286,850</b>	P336,509,681

The movement in remeasurement of aggregate reserves for life policies are as follows:

	<b>2020</b>
Balance at beginning of year	<b>P -</b>
Transfer from reserve fund	<b>184,651</b>
Remeasurement for the year	<b>(1,679,650)</b>
Balance at end of year	<b>(P1,494,999)</b>

Transfer from reserve fund refer to the accumulated remeasurement on life policies as at December 31, 2019 which was recorded in 2020 as required by IC.

### *Miscellaneous Reserves*

Miscellaneous reserves amounting to nil and P94.87 million as at December 31, 2020 and 2019, respectively, pertain to additional reserves set-up by the Cooperative in excess of the requirement of IC to cover for contingencies such as calamities and catastrophes.

On April 23, 2021, the CDA approved the Cooperative's request to directly reclassify the miscellaneous reserves amounting to P94.87 million to the following statutory funds:

	<b>Amount</b>
Reserve fund	<b>P50,412,673</b>
Optional fund	<b>39,453,312</b>
Community development fund	<b>5,000,000</b>
	<b>P94,865,985</b>

*Change in Aggregate Reserves on Life Policies and Miscellaneous Reserves*

The "Change in aggregate reserves on life policies and miscellaneous reserves" presented in the statement of operations is broken down as follows:

	2020	2019
Gross increase in aggregate reserves for life policies	(P57,902,481)	P136,605,488
Gross change in miscellaneous reserves	-	(23,138,051)
Reinsurer's share	(3,176,111)	(28,367,437)
	<b>(P61,078,592)</b>	P85,100,000

Nonlife Insurance Contract Liabilities

Insurance contract liabilities for nonlife operations may be analyzed as follows:

	2020	2019
Insurance payables:		
Policy and contract claims	<b>P5,164,454</b>	P12,560,128
IBNR claims	<b>43,422,663</b>	25,421,419
	<b>48,587,117</b>	37,981,547
Reserve for unearned premiums	<b>79,400,245</b>	52,525,356
	<b>P127,987,362</b>	P90,506,903

**14. Due to Reinsurers**

Due to reinsurers which pertain to unpaid premiums for reinsurance policies payable to the reinsurers amounted to P41.43 million and P83.72 million as at December 31, 2020 and 2019, respectively. These are normally settled in cash within 1 year (see Note 27).

**15. Trade and Other Payables**

This account consists of:

	<i>Note</i>	2020	2019
Accounts payable		<b>P170,648,885</b>	P89,547,075
Loans payable		<b>83,500,000</b>	132,023,250
	25, 27	<b>P254,148,885</b>	P221,570,325

Accounts payable pertain to amounts due to suppliers for purchases of various goods and services which are payable within the next reporting period.

On December 23, 2020, the Cooperative entered into various loan agreements totaling to P83.50 million with cooperative banks at annual interest rates of 4.00% to 6.50%. In 2019, the Cooperative entered into loan agreements amounting to P79.00 million and P51.00 million with cooperative banks at annual interest rates of 6.50% and 5.80%, respectively. The loans were subsequently paid in January 2020. Interest expense on loans payable which is presented under "Finance cost" in the statement operations amounted to P0.34 million and P2.02 million in 2020 and 2019, respectively.

## 16. Accrued Expenses

This account consists of:

	<i>Note</i>	<b>2020</b>	2019
Due to regulatory agencies		<b>P3,520,064</b>	P2,293,888
Withholding tax payable		<b>2,224,313</b>	1,377,331
Social Security System (SSS), Employees' Compensation Commission (ECC), Philippine Health Insurance Corporation (Philhealth) and Pagtutulungan sa Kinabukasan: Ikaw, Bangko, Industria at Gobyerno (Pag-IBIG) premium contributions payable		<b>416,347</b>	373,268
Other accrued expenses	27	<b>32,427,668</b>	46,251,292
	25	<b>P38,588,392</b>	P50,295,779

Other accrued expenses comprise of collection cost, commission expense, light and water, postage and telephone and other operating expenses incurred as of the reporting date and are generally payable within 30 to 60 days.

## 17. Other Current Liabilities

This account consists of:

	<i>Note</i>	<b>2020</b>	2019
Interest on share capital and patronage refund payable	17a	<b>P280,748,787</b>	P298,994,223
Due to R & B Insurance Corporation (RBIC)	17b	<b>191,804,827</b>	135,945,201
Others	17c	<b>15,704,218</b>	13,964,010
	27	<b>P488,257,832</b>	P448,903,434

a. The movements in interest on share capital and patronage refund payable follow:

	<i>Note</i>	<b>2020</b>	2019
Balance at beginning of year		<b>P298,994,223</b>	P229,898,307
Allocation from net surplus	29	<b>220,591,305</b>	232,397,273
Conversion to share capital	19	<b>(37,443,597)</b>	(29,620,177)
Payments		<b>(201,393,144)</b>	(133,681,180)
Balance at end of year		<b>P280,748,787</b>	P298,994,223

- b. Due to RBIC pertains to placement of time deposits and other investments paid by RBIC on behalf of the Cooperative. These are unsecured, interest bearing and payable on demand. Interest expense on Due to RBIC which is presented under "Finance cost" in the statement of operations amounted to P3.76 million and P4.63 million in 2020 and 2019, respectively.
- c. Others pertain to retention payable for the amount retained by the Cooperative from the contractors' progress billings, which will be released after the completion and satisfaction of the terms and conditions of the construction contract.

## 18. Retirement Benefits

The Cooperative has a funded, non-contributory defined benefit retirement 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. The Cooperative's latest actuarial valuation report was made on March 4, 2021 for the year ended December 31, 2020.

Retirement payable is actuarially determined using the projected unit credit method. This method reflects services rendered by the employees up to the date of valuation and incorporates various assumptions. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur.

The following tables summarize the components of the retirement benefits expense recognized in the statement of operations and amounts recognized in the statement of financial condition for the retirement plan.

Retirement benefits expense recognized in the statement of operations, which is presented under "Administrative costs" account, follow:

	<i>Note</i>	2020	2019
Current service cost		<b>P3,856,320</b>	P2,514,167
Net interest costs		<b>900,747</b>	472,953
Net remeasurements loss		<b>12,300,202</b>	4,908,314
	<i>24</i>	<b>P17,057,269</b>	P7,895,434

The net retirement payable recognized in the statement of financial condition follows:

	<i>Note</i>	2020	2019
Present value of DBO		<b>P38,500,243</b>	P21,181,063
FVPA		<b>(5,818,068)</b>	(5,556,157)
	<i>25</i>	<b>P32,682,175</b>	P15,624,906

The movements of the present value of DBO follow:

	2020	2019
Balance at beginning of year	<b>P21,181,063</b>	P12,936,723
Current service cost	<b>3,856,320</b>	2,514,167
Interest cost	<b>1,221,048</b>	785,221
Remeasurement loss	<b>12,241,812</b>	5,070,074
Benefits paid	-	(125,122)
Balance at end of year	<b>P38,500,243</b>	P21,181,063

The movements of the FVPA follow:

	2020	2019
Balance at beginning of year	<b>P5,556,157</b>	P5,207,251
Interest income	<b>320,301</b>	312,268
Remeasurement (loss) gain	<b>(58,390)</b>	161,760
Benefits paid	-	(125,122)
Balance at end of year	<b>P5,818,068</b>	P5,556,157

The components of the Cooperative's plan assets follow:

	2020	2019
Cash	3%	1%
Investments in unit investment trust fund	15%	0%
Investments in government securities	82%	99%
	<b>100%</b>	<b>100%</b>

The actual return on plan assets amounted to P0.26 million and P0.47 million in 2020 and 2019, respectively.

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

	2020	2019
Discount rate and expected return on plan asset	3.91%	5.76%
Future salary increases	5%	5%
Average remaining working lives of employees	<b>20 years</b>	21 years

The sensitivity analysis of net retirement payable for principal assumptions used as at December 31 are as follows:

2020	DBO	
	Increase	Decrease
Discount rate (1% movement)	(P6,524,069)	P8,485,991
Future salary growth (1% movement)	7,853,743	(6,211,334)

2019	DBO	
	Increase	Decrease
Discount rate (1% movement)	(P3,204,285)	P4,091,153
Future salary growth (1% movement)	3,842,572	(3,079,973)

The sensitivity analysis has been determined based on a method that extrapolated the impact on PV of DBO as a result of reasonable changes in key assumptions occurring at the end of the reporting period.



## 19. Members' Equity

Movements in members' equity are as follows:

	Number of Shares		Amount	
	2020	2019	2020	2019
<b>Authorized Share Capital</b>				
<b>Common - P100 par value</b>				
Balance at beginning of year	37,500,000	12,500,000	P3,750,000,000	P1,250,000,000
Increase	-	25,000,000	-	2,500,000,000
Balance at end of year	37,500,000	37,500,000	P3,750,000,000	P3,750,000,000
<b>Preferred - P100 par value</b>				
Balance at end/beginning of year	2,500,000	2,500,000	P250,000,000	P250,000,000
<b>Issued and Outstanding</b>				
<b>Common</b>				
Balance at beginning of year	16,371,470	12,500,000	P1,637,147,000	P1,250,000,000
Issuances	1,995,055	3,898,690	199,505,500	389,869,000
Withdrawals	(55,049)	(62,459)	(5,504,900)	(6,245,900)
Transfer from preferred share	2,244	35,239	224,400	3,523,900
Balance at end of year	18,313,720	16,371,470	P1,831,372,000	P1,637,147,000
<b>Preferred</b>				
Balance at beginning of year	90,214	127,401	P9,021,400	P12,740,100
Withdrawals	(3,360)	(1,948)	(336,000)	(194,800)
Transfer to common share	(2,244)	(35,239)	(224,400)	(3,523,900)
Balance at end of year	84,610	90,214	P8,461,000	P9,021,400
<b>Contributed Surplus</b>				
Balance at end/beginning of year			P85,298	P85,298
Total Members' Equity			P1,839,918,298	P1,646,253,698

### Increase in Authorized Share Capital

In 2019, the Cooperative's BOD and General Assembly (GA) approved the increase in authorized share capital from 15.00 million shares consisting of 12.50 million common shares and 2.50 million preferred shares with a par value of P100 per share to 40.00 million shares consisting of 37.50 million common shares with a par value of P100 per share and 2.50 million preferred shares with a par value of P100 per share. The application for increase in authorized share capital was approved by the CDA on December 13, 2019.

### Conversion of Interest on Share Capital and Patronage Refund Payable to Common Share

In 2020 and 2019, various members of the Cooperative converted their interest on share capital and patronage refund to common share amounting to P37.44 million and P29.62 million, respectively (see Note 17).

### Deposit for Share Capital Subscription

In 2018, the Cooperative received deposit for share capital subscription from existing members for the subscription of additional shares amounting to P287.89 million. These shares were issued upon the approval of the Cooperative's increase in authorized capital share by the CDA in 2019.

## 20. Net Insurance Premiums Earned

Details of net insurance premiums earned follow:

	<i>Note</i>	<b>2020</b>	2019
Gross premium written for:			
Life policies		<b>P1,015,652,606</b>	P1,141,595,105
Nonlife policies		<b>139,716,206</b>	92,742,175
		<b>1,155,368,812</b>	1,234,337,280
Change in reserve for unearned premiums		<b>(26,874,889)</b>	(31,215,566)
Gross premiums earned on insurance contracts		<b>1,128,493,923</b>	1,203,121,714
Reinsurers' share on gross premiums written		<b>(161,364,080)</b>	(162,492,629)
Change in deferred reinsurance premiums	7	<b>(6,377,628)</b>	5,745,412
Reinsurers' share of gross premiums earned		<b>(167,741,708)</b>	(156,747,217)
	25	<b>P960,752,215</b>	P1,046,374,497

## 21. Other Income

This account consists of:

	<i>Note</i>	<b>2020</b>	2019
Interest income	4, 5, 8, 9	<b>P45,243,151</b>	P59,425,499
Miscellaneous income - net		<b>16,733,310</b>	8,440,416
	25	<b>P61,976,461</b>	P67,865,915

Details of interest income are as follows:

	<i>Note</i>	<b>2020</b>	2019
Cash equivalents and short-term investments	4, 5	<b>P16,293,499</b>	P27,738,785
Loans and receivables	8	<b>13,628,704</b>	23,598,141
Financial assets at amortized cost	9	<b>8,835,653</b>	3,342,626
Cash in banks	4	<b>6,485,295</b>	4,745,947
		<b>P45,243,151</b>	P59,425,499

Details of miscellaneous income are as follows:

	<i>Note</i>	<b>2020</b>	2019
Commission income		<b>P8,102,271</b>	P14,031,778
Dividend income		<b>1,994,654</b>	1,019,554
Unrealized gain on financial assets at FVPL	8	<b>1,697,386</b>	716,933
Realized loss on disposal and maturities of financial assets - net		-	(7,562,188)
Other income		<b>4,938,999</b>	234,339
		<b>P16,733,310</b>	P8,440,416

## 22. Benefits and Claims Incurred on Insurance Contracts

Benefits and claims incurred on insurance contracts are as follows:

	<i>Note</i>	<b>2020</b>	2019
Gross benefits and claims incurred on insurance		<b>P487,384,989</b>	P402,494,010
Reinsurer's share		<b>(66,876,111)</b>	(31,085,031)
	<i>25</i>	<b>P420,508,878</b>	P371,408,979

## 23. Underwriting Expenses

	<i>Note</i>	<b>2020</b>	2019
Collection costs		<b>P84,468,853</b>	P109,589,356
Commission expense		<b>73,988,398</b>	79,597,928
	<i>10, 25</i>	<b>P158,457,251</b>	P189,187,284

## 24. Administrative Costs

This account consists of:

	<i>Note</i>	<b>2020</b>	2019
Salaries and wages		<b>P76,613,207</b>	P56,829,946
Probable losses	<i>6, 8, 9</i>	<b>47,019,599</b>	20,000,000
Employee benefits		<b>21,287,847</b>	33,656,305
Retirement benefit expense	<i>18</i>	<b>17,057,269</b>	7,895,434
Professional fees		<b>6,344,775</b>	5,773,402
Depreciation	<i>12</i>	<b>5,628,508</b>	5,044,795
Meetings and conferences		<b>5,104,251</b>	11,861,335
Officers' honorarium and allowances		<b>4,611,660</b>	3,002,620
SSS, Philhealth, ECC, Pag-IBIG			
Premium Contributions		<b>2,536,767</b>	1,974,083
Communication		<b>2,410,381</b>	2,787,905
Travel and transportation		<b>2,343,611</b>	4,011,847
Office supplies		<b>2,233,662</b>	2,737,294
Rentals		<b>2,193,432</b>	1,732,228
Affiliation fees		<b>2,152,890</b>	827,768
General support services		<b>1,985,114</b>	1,220,616
Representation		<b>1,764,386</b>	1,881,935
Social and community service expense		<b>1,536,536</b>	1,670,534
Power, light and water		<b>1,056,311</b>	1,103,286
Insurance		<b>832,010</b>	776,816
Taxes, fees and charges		<b>703,304</b>	1,544,369
Repairs and maintenance		<b>607,642</b>	469,126
Advertising and promotions		<b>413,286</b>	1,369,869
Bank charges		<b>81,318</b>	198,187
Gas, oil and lubricants		<b>5,664</b>	14,787
Miscellaneous expenses		<b>92,590</b>	6,599,967
	<i>25</i>	<b>P206,616,020</b>	P174,984,454

Compensation of key management personnel amounted to P14.97 million and P13.40 million in 2020 and 2019, respectively.

## 25. 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, 2020 and 2019 follows:

### Statements of Financial Condition

	Life		Non-life	
	2020	2019	2020	2019
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	P1,148,715,989	P1,216,280,122	P325,264,247	P382,617,782
Short-term investments	488,166,618	273,054,311	2,000,000	-
Insurance receivables	123,421,627	60,976,027	11,650,939	13,014,052
Reinsurance assets	71,283,038	68,106,925	27,190,615	30,482,906
Loans and receivables	79,030,477	81,080,477	269,918	8,769,285
Financial assets	133,155,352	206,653,936	-	-
Intracompany accounts	(384,234,974)	(279,480,428)	384,234,974	279,480,428
Deferred acquisition costs	-	-	19,263,494	9,068,064
Other current assets	7,344,512	2,595,262	937,509	1,806,609
<b>Total Current Assets</b>	<b>1,666,882,639</b>	<b>1,629,266,632</b>	<b>770,811,696</b>	<b>725,239,126</b>
<b>Noncurrent Assets</b>				
Loans receivables - net of current portion	269,331,234	294,959,936	-	-
Financial assets - net of current portion	330,029,415	363,691,216	162,699,544	13,220,000
Investment in associate	55,000,000	-	-	-
Property and equipment	302,469,614	225,968,214	660,417	144,970
Other noncurrent assets	45,860,274	27,703,174	-	-
<b>Total Noncurrent Assets</b>	<b>1,002,690,537</b>	<b>912,322,540</b>	<b>163,359,961</b>	<b>13,364,970</b>
	<b>P2,669,573,176</b>	<b>P2,541,589,172</b>	<b>P934,171,657</b>	<b>P738,604,096</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Insurance contract liabilities	P437,417,040	P529,672,956	P127,987,362	P90,506,903
Deferred commission income	-	-	2,975,282	4,654,275
Due to reinsurers	33,874,066	72,007,826	7,555,419	11,708,760
Trade and other payables	182,048,422	156,656,394	72,100,463	64,913,931
Accrued expenses	27,770,932	43,837,322	10,817,460	6,458,457
Other current liabilities	374,384,902	447,398,986	113,872,930	1,504,448
<b>Total Current Liabilities</b>	<b>1,055,495,362</b>	<b>1,249,573,484</b>	<b>335,308,916</b>	<b>179,746,774</b>
<b>Noncurrent Liability</b>				
Retirement payable	32,682,175	15,624,906	-	-
<b>Total Liabilities</b>	<b>1,088,177,537</b>	<b>1,265,198,390</b>	<b>335,308,916</b>	<b>179,746,774</b>
<b>Members' Equity</b>				
Paid-up share capital - common	1,240,703,300	1,076,727,086	590,668,700	560,419,914
Paid-up share capital - preferred	8,461,000	9,021,400	-	-
Contributed surplus	85,298	85,298	-	-
<b>Total Members' Equity</b>	<b>1,249,249,598</b>	<b>1,085,833,784</b>	<b>590,668,700</b>	<b>560,419,914</b>
<b>Revaluation surplus</b>	<b>12,081,337</b>	<b>12,081,337</b>	<b>-</b>	<b>-</b>
<b>Remeasurement of Aggregate Reserves for Life Policies</b>	<b>(1,494,999)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Statutory Funds</b>				
Reserve fund	187,100,366	111,376,257	3,092,888	(823,199)
Optional fund	89,950,056	32,649,486	2,658,944	(82,320)
Cooperative education and training fund	27,753,892	20,504,596	1,514,343	(410,111)
Community development fund	16,755,389	13,945,322	927,866	(246,962)
<b>Total Statutory Funds</b>	<b>321,559,703</b>	<b>178,475,661</b>	<b>8,194,041</b>	<b>(1,562,592)</b>
<b>Total Equity</b>	<b>1,581,395,639</b>	<b>1,276,390,782</b>	<b>598,862,741</b>	<b>558,857,322</b>
	<b>P2,669,573,176</b>	<b>P2,541,589,172</b>	<b>P934,171,657</b>	<b>P738,604,096</b>

## Statements of Operations

	Life		Non-life	
	2020	2019	2020	2019
<b>REVENUE</b>				
Net insurance premiums earned	P870,411,597	P1,005,816,891	P90,340,618	P40,557,606
Other income	44,776,277	59,639,080	17,200,184	8,226,835
	<b>915,187,874</b>	<b>1,065,455,971</b>	<b>107,540,802</b>	<b>48,784,441</b>
<b>BENEFITS, CLAIMS AND EXPENSES</b>				
Benefits and claims incurred on insurance contracts	392,686,195	335,337,484	27,822,683	36,071,495
Change in insurance contract liabilities	(61,078,592)	85,100,000	-	-
Net insurance benefits and claims	<b>331,607,603</b>	<b>420,437,484</b>	<b>27,822,683</b>	<b>36,071,495</b>
Administrative costs	184,371,258	161,007,101	22,244,762	13,977,353
Underwriting expenses	140,144,804	182,098,640	18,312,447	7,088,644
Finance costs	4,103,379	6,649,482	-	-
	<b>660,227,044</b>	<b>770,192,707</b>	<b>68,379,892</b>	<b>57,137,492</b>
<b>NET SURPLUS (LOSS)</b>	<b>P254,960,830</b>	<b>P295,263,264</b>	<b>P39,160,910</b>	<b>(P8,353,051)</b>

## 26. Insurance Risks

The risk under insurance contract is the possibility of occurrence of insured event and uncertainty of the amount and timing of resulting claim. The principal risk which the Cooperative faces under such contracts is that the actual claims and benefit payments exceed the carrying amount of insurance liabilities. This is influenced by the frequency of claims, actual benefits paid are greater than originally estimated and subsequent development of long-term claims.

There were no changes in the Cooperative's exposure and how the Cooperative manages insurance risk in 2020 and 2019.

### Life Insurance Contracts

#### *Terms and Conditions*

The Cooperative principally writes life insurance where the life of policyholder is insured against death, illness, injury or permanent disability, usually for pre-determined amount.

#### *Underwriting Risks*

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

- General insurance risk - risk of loss due to occurrence of insured event and the uncertainty of the amount and timing of resulting claims;
- Mortality risk - risk of loss arising from policyholders' death experience;
- Morbidity risk - risk of loss due to policy holder's health experience;
- Expense risk - risk of loss arising from expense experience;
- Longevity risk - risk of loss arising due to the annuitant living longer than expected;
- Lapse risk - risk of loss due to the policyholder experiences (lapses and surrenders) being difference than expected;
- Investment risk - risk of loss arising from actual returns being different than expected; and
- Policyholder decision risk - risk of loss arising from lapses and surrenders.

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

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

The table below sets out the Cooperative's in force policies and concentration of insurance risk.

<b>2020</b>	<b>No. of Policies</b>	<b>Insurance Coverage</b>	<b>Premiums</b>	<b>Exposure</b>
Group yearly renewable and loan payment protection insurance	498,184	P30,567,729,569	P900,720,174	99.06%
Micro insurance	4,793	222,336,000	30,668,149	0.72%
Regular plans	110	69,405,300	421,966	0.22%
	<b>503,087</b>	<b>P30,859,470,869</b>	<b>P931,810,289</b>	<b>100.00%</b>

<b>2019</b>	<b>No. of Policies</b>	<b>Insurance Coverage</b>	<b>Premiums</b>	<b>Exposure</b>
Group yearly renewable and loan payment protection insurance	710,156	P48,763,097,210	P1,012,000,503	98.66%
Micro insurance	26,955	1,205,954,000	35,721,641	1.02%
Personal accident	1,852	89,040,000	465,517	0.18%
Regular plans	115	68,905,300	1,330,862	0.14%
	<b>739,078</b>	<b>P50,126,996,510</b>	<b>P1,049,518,523</b>	<b>100.00%</b>

The table below presents the life policies' concentration of risk by attained age based on data of in force policies (gross of reinsurance):

<b>Attained Age</b>	<b>2020</b>		<b>2019</b>	
	<b>Coverage</b>	<b>Exposure</b>	<b>Coverage</b>	<b>Exposure</b>
Below 18	P99,740,916	0.32%	P276,459,696	0.56%
18 - 35	6,141,701,760	19.90%	10,469,398,601	21.18%
36 - 45	6,958,298,618	22.55%	10,791,001,674	21.83%
46 - 55	7,074,323,501	22.92%	11,390,784,018	23.05%
56 - 65	7,523,966,042	24.38%	12,120,065,660	24.52%
66 - 75	2,789,853,710	9.04%	4,041,469,480	8.18%
76 and above	271,036,322	0.89%	334,874,381	0.68%
	<b>P30,858,920,869</b>	<b>100.00%</b>	<b>P49,424,053,510</b>	<b>100.00%</b>

#### Nonlife Insurance Contracts

##### *Terms and Conditions*

The Cooperative principally issues the following types of general insurance contracts: personal accident, fire, motor, surety, marine and miscellaneous. Risks under general insurance policies usually cover a 12-month duration.

### *Underwriting Risks*

For general insurance contracts, the significant risks arise from climate changes and natural disasters.

These risks vary significantly in relation to the location of the risk insured and type of risk insured. Undue concentration by amount can have a further impact on the severity of benefit payments on a portfolio basis.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography. Further, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Cooperative. The Cooperative further enforces a policy of actively managing and promptly pursuing of claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Cooperative.

The Cooperative has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit the exposure to catastrophic events, such as hurricanes, earthquakes and flood damages.

The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes to a pre-determined maximum amount based on the Cooperative's risk appetite as decided by management.

The table below sets out the Cooperative's in force policies and concentration of insurance risk.

<b>2020</b>	<b>No. of Policies</b>	<b>Insurance Coverage</b>	<b>Premiums</b>	<b>Exposure</b>
Miscellaneous or personal accident insurance	1,109	P34,942,610,140	P82,187,346	72.62%
Fire insurance	1,071	9,983,487,800	12,390,567	20.75%
Motor car insurance	3,984	2,617,307,331	40,664,916	5.44%
Surety insurance	1,017	566,397,062	5,597,577	1.18%
Marine insurance	4	8,200,000	196,000	0.01%
	<b>7,185</b>	<b>P48,118,002,333</b>	<b>P141,036,406</b>	<b>100.00%</b>

<b>2019</b>	<b>No. of Policies</b>	<b>Insurance Coverage</b>	<b>Premiums</b>	<b>Exposure</b>
Miscellaneous or personal accident insurance	7,764	P29,746,626,357	P50,185,004	70.23%
Fire insurance	1,528	10,338,979,049	10,023,059	24.41%
Motor car insurance	4,175	1,749,357,916	28,124,126	4.13%
Surety insurance	1,201	512,074,567	5,050,285	1.21%
Marine insurance	6	7,450,000	197,750	0.02%
	<b>14,674</b>	<b>P42,354,487,889</b>	<b>P93,580,224</b>	<b>100.00%</b>

### Key Assumptions

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

### *Life Insurance Contracts*

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

Subsequently, new estimates are developed at each reporting date and liabilities are tested to determine whether such liabilities are adequate in the light of the latest current estimates. The initial assumptions are not altered if the liabilities are considered adequate. If the liabilities are not adequate, the assumptions are altered ("unlocked") to reflect the latest current estimates. As a result, the effect of changes in the underlying variables on insurance liabilities and related assets is not symmetrical. Improvements in estimates have no impact on the value of the liabilities and related assets, while significant enough deteriorations in estimates have an impact.

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

(a) *Risk-free Discount Rates* refer to the rates used in determining the value of life insurance liabilities. The value of life insurance liabilities is determined as the sum of the present value of future benefits and expenses, less the present value of future gross premiums arising from the policy discounted at the appropriate risk-free discount rate. The yield curve used as basis for the risk-free discount rate were obtained from the following sources:

- For Philippine Peso policies: PHP BVAL Reference rates from Bloomberg; and
- For US Dollar policies: International Yield Curve (IYC) from Bloomberg.

The risk-free discount rate is the equivalent zero-coupon spot yield of the above yield curve with matching duration for durations less than or equal to 20 years. Duration is the term to maturity of each future cashflow. If the duration is more than 20 years, the discount rate is the moving-average of the 20-year government bond yield rate, over a period prescribed by the IC. The current prescribed period is 24 months.

The discount rate used for valuation was based on the guidelines set by the IC.

A decrease in the discount rate will increase the value of the liability.

(b) *Mortality and Morbidity Assumptions.* Mortality refers to the rate at which death occurs for a defined group of people, while morbidity refers to the rate at which accident or sickness, and recovery therefrom, for a defined group of people. For the purpose of liability valuation, expected future cash flows are determined using best estimate mortality and morbidity assumptions with due regard to significant recent experience and appropriate margin for adverse deviation from the expected experience.



- (c) *Lapse Rates* refer to the rate at which a life policy is surrendered or terminated caused by the failure to pay the premium due. For the purpose of liability valuation, expected future cash flows are determined using best estimate of lapse assumptions with appropriate margin for adverse deviation from the expected experience.
- (d) *Expense Assumptions* refer to the expected future administrative and maintenance costs related to the issuance and maintenance of a life insurance policy with consideration of inflation. For the purpose of liability valuation, expected future cash flows are determined using best estimate expense assumptions with appropriate margin for adverse deviation from the expected experience.

#### *Nonlife Insurance Contracts*

The principal assumption underlying the estimates is the Cooperative's past claims development experience. This includes assumptions in respect of average claim costs, claims handling costs, claims inflation factors and number of claims for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example, one-off occurrence, changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Other key assumptions include variation in interest rates and delays in settlement.

#### Claims Development Table

The exhibit below shows the development of claims over a period of time.

The tables reflect the cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date.

The Cooperative aims to maintain strong reserves in respect of its general insurance in order to protect against adverse future claims experience and development. As claims develop and ultimate costs of claims become more certain, the absence of adverse claims experience will then result in a release of reserves from earlier accident years. In order to maintain strong reserves, the Cooperative transfers much of this release to current accident year reserves where the development of claims is less mature and there is much greater uncertainty attaching to the ultimate cost of claims:

<b>Accident Year</b>	<b>2020</b>			<b>Total</b>
	<b>2018</b>	<b>2019</b>	<b>2020</b>	
Estimated ultimate claims				
At the end of accident year	<b>P2,832,239</b>	<b>P40,849,195</b>	<b>P45,472,368</b>	<b>P45,472,368</b>
One year later	<b>2,847,305</b>	<b>28,123,007</b>	<b>-</b>	<b>28,123,007</b>
Two years later	<b>3,244,315</b>	<b>-</b>	<b>-</b>	<b>3,244,315</b>
Current estimate of cumulative claims	<b>3,244,315</b>	<b>28,123,007</b>	<b>45,472,368</b>	<b>76,839,690</b>
Cumulative payments to date	<b>2,012,784</b>	<b>16,239,092</b>	<b>10,000,697</b>	<b>28,252,573</b>
Gross total claims liability	<b>1,231,531</b>	<b>11,883,915</b>	<b>35,471,671</b>	<b>48,587,117</b>
Reinsurance recoverable on unpaid losses	<b>204,430</b>	<b>6,453,187</b>	<b>7,258,850</b>	<b>13,916,467</b>
Net exposure	<b>P1,027,101</b>	<b>P5,430,728</b>	<b>P28,212,821</b>	<b>P34,670,650</b>

Accident Year	2019		Total
	2018	2019	
Estimated ultimate claims			
At the end of accident year	P2,832,239	P40,849,195	P40,849,195
1 year later	2,847,305	-	2,847,305
Current estimate of cumulative claims	2,847,305	40,849,195	43,696,500
Cumulative payments to date	1,562,136	4,152,817	5,714,953
Gross total claims liability	1,285,169	36,696,378	37,981,547
Reinsurance recoverable on unpaid losses	457,805	12,489,521	12,947,326
Net exposure	P827,364	P24,206,857	P25,034,221

#### Investment Risk

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

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

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

## 27. Categories of Financial Assets and Liabilities

	Note	2020	2019
<b>Financial Assets at Amortized Cost</b>			
Cash and cash equivalents*	4, 25	<b>P1,473,935,236</b>	P1,598,852,904
Short-term investments	5, 25	<b>490,166,618</b>	273,054,311
Insurance receivables	6, 25	<b>135,072,566</b>	73,990,079
Reinsurance assets	7, 25	<b>98,473,653</b>	98,589,831
Loans and receivables**	8	<b>348,299,880</b>	384,476,410
Debt securities	9	<b>365,785,271</b>	273,813,655
		<b>2,911,733,224</b>	2,702,777,190
<b>Financial Assets at FVPL</b>	9	<b>44,606,878</b>	42,762,032
<b>Financial Assets at Cost</b>	9	<b>215,492,162</b>	266,989,465
<b>Investment in Associate</b>	9	<b>55,000,000</b>	-
		<b>P3,226,832,264</b>	P3,012,528,687

\* Excluding petty cash fund

\*\*Excluding advances to officers and employees

	<i>Note</i>	2020	2019
<b>Financial Liabilities at Amortized Cost</b>			
Insurance payables	13	<b>P205,717,307</b>	P136,278,837
Due to reinsurers	14, 25	<b>41,429,485</b>	83,716,586
Trade and other payables	15, 25	<b>254,148,885</b>	221,570,325
Other accrued expenses	16	<b>32,427,668</b>	46,251,292
Other current liabilities	17, 25	<b>488,257,832</b>	448,903,434
		<b>P1,021,981,177</b>	P936,720,474

## 28. Capital Management and Regulatory Framework

### Capital Management Framework

All insurance companies 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.

Insurers 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, profit ability of in-force business and other major corporate 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 operations of insurance companies 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 companies to meet the unforeseen liabilities as these arise, fixed capitalization requirements, risk-based capital requirements).

The Cooperative's capital as at December 31, 2020 and 2019 follows:

	<i>Note</i>	2020	2019
Members' equity	19	<b>P1,839,918,298</b>	P1,646,253,698
Remeasurement of aggregate reserves for life policies	13	<b>(1,494,999)</b>	-
Revaluation surplus	12	<b>12,081,337</b>	12,081,337
Statutory funds		<b>329,753,744</b>	176,913,069
		<b>P2,180,258,380</b>	P1,835,248,104

No changes were made to the Cooperative's capital base, objectives, policies and processes as at December 31, 2020 and 2019.

### 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.

### Minimum Statutory Net Worth Requirements

The Insurance Code 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:

<u>Minimum Statutory Net Worth</u>	<u>Compliance Date</u>
P250.00 million	June 30, 2013
500.00 million	December 31, 2016
900.00 million	December 31, 2019
1.30 billion	December 31, 2022

In accordance with Article 107 of the Cooperative Code, 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.

Pursuant to Section 92 of the Insurance Code, the estimated amount of non-admitted assets as at December 31, 2020 and the actual non-admitted assets as at December 31, 2019 for the Cooperative's life unit follows:

	<b>2020 (Estimated)</b>	2019 (Actual)
Cash	<b>P165,365,071</b>	P85,574,191
Property and equipment	<b>26,115,529</b>	77,138,818
Insurance receivables	<b>11,650,937</b>	-
Other assets	<b>7,316,887</b>	32,084,600
Loans and receivables	<b>22,105</b>	42,128,152
Cash equivalents and short-term investments	-	360,506,820
Reinsurance assets	-	55,010,192
Financial assets	-	227,838,799
	<b>P210,470,529</b>	P880,281,572

Pursuant to the Insurance Code and related circulars, cash and cash equivalents and short-term investments to cooperative banks in excess of P500,000, insurance receivables beyond 90 days, loans and receivables beyond 90 days, receivables from closed banks and advances to officers and employees, investments in cooperatives, furniture, fixtures, and office equipment, transportation equipment and other assets are generally non-admitted assets.

The Cooperative's estimated net worth and actual net worth as at December 31, 2020 and 2019, respectively are as follows:

	<b>2020</b>	2019
Total assets	<b>P3,603,744,833</b>	P3,280,193,268
Total liabilities	<b>1,423,486,453</b>	1,444,945,164
Equity	<b>2,180,258,380</b>	1,835,248,104
Less non-admitted assets	<b>210,470,529</b>	880,281,572
Net worth	<b>1,969,787,851</b>	954,966,532
Less net worth requirements	<b>900,000,000</b>	900,000,000
Excess over net worth requirements	<b>P1,069,787,851</b>	P54,966,532

As at December 31, 2020 and 2019, the Cooperative has complied with the statutory net worth requirements required by the IC.

*RBC Requirements*

The 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, *Amended RBC Framework* (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 companies in relation to their investment and insurance risks. Every life insurance company 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 company 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.

An insurer has failed the trend test in the event that all of the following 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 RBC2 ratio shall subject the insurance company to the corresponding regulatory intervention which has been defined at various levels.

The following table shows the RBC2 ratio of the Cooperative based on internal calculations as at December 31, 2020 and the final RBC2 ratio as determined by the IC as at December 31, 2019:

	Life		Non-life	
	2020	2019	2020	2019
Total available capital	<b>P1,732,458,945</b>	P1,126,735,743	<b>P627,549,658</b>	P551,167,711
RBC2 requirements	<b>152,119,488</b>	141,800,655	<b>231,570,987</b>	22,507,755
RBC2 ratio	<b>1139%</b>	795%	<b>271%</b>	2449%

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 Insurance Code.

### Financial Reporting Framework

In December 2016, IC released IC CL No. 2016-65, *Financial Reporting Framework under Section 189 of the Insurance Code* which aims to adopt the economic valuation of assets and liabilities based on internationally accepted accounting, actuarial and insurance core principles.

The Financial Reporting Framework was implemented effective January 1, 2017 and was used on the statutory quarterly and annual net worth reporting requirements.

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## **29. Cooperative Laws, Rules, Regulations, and Principles**

In addition to the PFRF for Cooperatives as discussed in Note 2, the following cooperative law, rules, regulations, and principles were adopted in the preparation of the financial statements:

### The Cooperative Code

On February 17, 2009, the President of the Philippines signed into law The Cooperative Code which took effect on March 22, 2009. The salient features of the Cooperative Code includes the amendment of the charter of CDA, the involvement of the Philippine Institute of Certified Public Accountants in the preparation of the implementing rules and regulations and the following:

### Paid-up Capital

- Article 14 - Paid-up capital shall not be less than P15,000 (previously P2,000) which may be increased every 5 years upon consultation with the cooperative sector and National Economic Development Authority.

### Taxation

- Article 61 - Transactions of members with cooperatives shall not be subject to any taxes and fees, including but not limited to final taxes on members' deposits and documentary stamp tax.

Cooperatives with accumulated reserves and undivided net savings of more than P10.00 million shall pay the following taxes at full rate:

- Income tax - on the amount allocated for interest on capital, provided that the same tax is not consequently imposed on interest individually received by members; provided further that cooperatives, regardless of classification, are exempt from income tax from the date of registration with CDA.
- Value-added tax (VAT) on transaction with non-members, provided the cooperative duly registered with CDA are exempt from payment of VAT subject to Section 109 subsections L, M, and S of the National Internal Revenue Code, as amended.

Cooperatives with accumulated reserves and undivided net savings of not more than P10.00 million shall be exempt from all national, city, provincial, municipal or barangay taxes and from custom duties, advance sales, or compensating taxes on importation of machineries, equipment, and spare parts used by them.

### Share Capital

- Article 73 - No member of a primary cooperative other than a cooperative itself shall own or hold more than 10% (before 20%) of the share capital.
- Article 76 - The par value of a share may be fixed at any figure not more than P1,000.00 (before not less than P1.00).

#### Allocation and Distribution of Net Surplus

- Article 85 - The net surplus shall not be construed as profit but as an excess of payments made by the members for the loans borrowed, or the goods and services availed by them from the Cooperative of the difference of the rightful amount due to the members for their products sold or services rendered to the Cooperative including other operating activities and which shall be deemed to have been returned to them if the same is distributed.
  
- Article 86 - The following order of distribution is provided under the Cooperative Code:
  - *Reserve Fund* - shall be at least 10.00% of the net surplus, provided, that in the first 5 years of operations after registration, this amount shall not be less than 50.00% of the net surplus.
  
  - *Cooperative Education and Training Fund (CETF)* - shall be not more than 10.00% of the net surplus; half of the amount transferred to education and training fund annually shall be spent by the cooperative for education and training, while the other half should be remitted to the union or federation.
  
  - *Community Development Fund* - not less than 3.00% of the net surplus.
  
  - *Optional Fund* - the total of which shall not exceed 7.00% of the net surplus.
  
  - *Remaining Net Surplus* - shall be made available to the members in the form of interest on share capital not to exceed the normal rate of return on investments and patronage funds, provided that any amount remaining after the allowable interest and the patronage refund have been deducted shall be credited to the reserve fund. The sum allocated for patronage refunds shall be made available at the same rate to all patrons of the cooperative in proportion to their individual patronage.

#### CDA MCs

#### CDA MC No. 2019-08, Policy Guidelines Governing the Allocation and Utilization and Remittance of the CETF of the Cooperative

On July 15, 2019, the Board of Administrators approved CDA MC No. 2019-08 which took effect on the same date with the following salient features:

- Allocation, utilization, accounting treatment and remittance of CETF - The amount allocated to the fund shall not exceed 10.00% of the net surplus during the year. 50.00% of the amount transferred should be for education and training purposes while the other 50.00% should be remitted to the union/federation chosen by the Cooperative or of which it is a member.
  
- Presentation of CETF to equity and liability - The amount allocated to program fund for education and training purposes shall be presented as part of equity while the amount allocated to the union/federation shall be presented as part of liability.

CDA MC No. 2019-09, Guidelines in the Allocation and Distribution of Patronage Refund

On July 15, 2019, the Board of Administrators approved CDA MC No. 2019-09 which took effect on the same date and provides the allocation, accounting treatment, computation and payment of patronage refund. CDA MC No. 2019-09 provides that the amount allocated to the fund shall be made only after allocation of statutory funds and interest on share capital. Further, the fund shall not be less than 30.00% of the net surplus after deducting the statutory reserve and that the rate of patronage refund shall not exceed twice the rate of interest on share capital. The patronage refund will be paid to members.

CDA MC No. 2019-11, Policy Guidelines Governing the Allocation and Utilization of the Community Development Fund of the Cooperative

On July 15, 2019, the Board of Administrators approved CDA MC No. 2019-11 which took effect on the same date and provides the allocation and utilization of community development fund. CDA MC No. 2019-11 provides that the amount allocated to the fund shall not be less than 3.00% of the net surplus during the year which shall be fixed in the by-laws. Provided, however, that total amount allocated for community development fund and optional fund shall not exceed 10.00% of the net surplus. The fund shall be used for projects or activities that will benefit the community within the area of operation of the cooperative.

**Tax Exemptions and Incentives**

As an entity transacting with members only, the Cooperative is entitled to the following tax exemptions and incentives provided for under Article 60 of the Cooperative Code, as implemented by Section 7 of the Joint Rules and Regulations Implementing Articles 60, 61 and 144:

- Exemption from income tax on income from CDA-registered operations;
- Exemption from VAT on CDA-registered operations;
- Exemption from other percentage tax;
- Exemption from donor's tax on donations to duly accredited charitable, research and educational institutions, and reinvestment to socio-economic projects within the area of operation of the Cooperative;
- Exemption from excise tax from which the Cooperative is directly liable;
- Exemption from documentary stamp tax: provided, however, that the other party to the taxable document/ transaction who is not exempt shall be the one directly liable for the tax;
- Exemption from payment of annual registration fee of five hundred pesos (P500.00); and
- Exemption from all taxes on transactions with insurance companies and banks, including but not limited to 20.00% final tax on interest deposits and 7.50% final income tax on income/interest from investment/deposits derived from a depository bank under the expanded foreign currency deposit system.



## Distribution of Net Surplus

The Cooperative's Articles of Cooperation and By-laws explicitly provides that its net surplus at the end of the taxable year shall be distributed in the following manner:

### a. Reserve Fund

Allocation to reserve fund shall be at least 10% of net surplus. This fund is set aside to guarantee the stability of the Cooperative's development and to absorb losses, if any, in its business operations. The General Assembly (GA) may decrease the amount allocated to general reserve fund when such fund exceeds the share capital.

### b. CETF

Allocation to CETF shall not be more than 10% of net surplus. Certain fees or fines or a portion thereof may be credited to such fund. Half of the amount transferred to this fund shall be spent by the Cooperative for education and training purposes; while the other half may be remitted to the cooperative education and training fund of the federation or union chosen by the Cooperative or of which the Cooperative is a member.

### c. Community Development Fund

Allocation to community development fund shall not be less than 3% of the net surplus. The community development fund shall be used for projects or activities that will benefit the community where the Cooperative operates.

### d. Optional Fund

Allocation to optional fund shall not be more than 7% of the net surplus. The optional fund established by the Cooperative for future use is for the acquisition of land and building.

### e. Interest on Share Capital and Patronage Refund

The remaining net surplus shall be made available to the members in the form of interest on share capital and patronage refund. The sum allocated for patronage refund shall be made available at the same rate to all patrons of the Cooperative in proportion to their individual patronage.

The distribution of net surplus pursuant to the provisions of the Cooperative Code, by-laws and CDA MCs follows:

	2020		2019	
	Percentage	Amount	Percentage	Amount
Interest on share capital and patronage refund payable	75.00%	P220,591,305	81.00%	P232,397,273
Reserve fund	10.00%	29,412,174	10.00%	28,691,021
CETF	5.00%	14,706,087	5.00%	14,345,511
Community development fund	3.00%	8,823,652	3.00%	8,607,306
Optional fund	7.00%	20,588,522	1.00%	2,869,102
	<b>100.00%</b>	<b>P294,121,740</b>	<b>100.00%</b>	<b>P286,910,213</b>

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### 30. Other Matters

#### Continuing Impact of Continuing Impact of the Novel Coronavirus 2019 (COVID-19)

The COVID-19 outbreak has spread across the globe causing disruptions to businesses and economic activities. On January 30, 2020, the World Health Organization announced COVID-19 as a global health emergency and, on March 11, 2020, declared it as a pandemic.

As at the date of the financial statements, Metro Manila is under Modified Enhanced Community Quarantine, which provides the following guidelines, among others:

- Mass gatherings are prohibited except for religious gatherings which are limited to 10% of the venue capacity;
- Strict home quarantine in all households unless obtaining essential goods and services or working in permitted offices or establishments;
- Common curfew, except for workers, cargo vehicles, and public transportation, shall be implemented; and
- Public transportation on essential travel only.

The Cooperative has assessed that although COVID-19 will not have significant effect on its ability to continue as a going concern, it will still have continuing impact on its operations. The full impact on the Cooperative will depend on the duration of this unique crisis and how it severely impacts the economy going forward, with a range of potential outcomes too large to provide a meaningful quantification at this point. The subsequent impact of this outbreak will be determined, quantified and recognized in the Cooperative's financial statements when these become estimable.

#### Merger with RBIC

On February 15, 2017, the GA approved the Articles and Plan of Merger between the Cooperative and RBIC, a nonlife insurance company. The Cooperative will be the surviving entity and will assume the nonlife business of RBIC.

On February 9, 2018, the Cooperative submitted its plan of merger with IC which was approved on July 7, 2018.

On January 22, 2019, the Cooperative requested CDA's approval of the merger which was denied by CDA on May 11, 2020. On February 19, 2021, the Cooperative sent a letter requesting CDA to approve its plan of assuming the assets and liabilities of RBIC instead.

As at date of financial statements, the Cooperative is yet to receive a response from CDA, hence, the transfer of assets and liabilities of RBIC to the Cooperative and the issuance of the Cooperative's shares to the stockholders of RBIC in order to execute the transaction is not yet completed.

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### 31. Subsequent Event

On March 26, 2021, the President of the Philippines has approved R.A No. 11534, Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, with nine (9) provisions vetoed by the President.

On April 8, 2021, the BIR issued the following implementing revenue regulations that are effective immediately upon publication:

- BIR Revenue Regulations (RR) No. 2-2021, *Amending Certain Provisions of Revenue Regulations No. 2-98, As Amended, to Implement the Amendments Introduced by Republic Act No. 11534, or the "Corporate Recovery and Tax Incentives for Enterprises Act" (CREATE), to the National Revenue Code of 1997, as Amended, Relative to the Final Tax on Certain Passive Income;*
- BIR RR No. 3-2021, *Rules and Regulations Implementing Section 3 of Republic Act (RA) No. 11534, Otherwise Known as the "Corporate Recovery and Tax Incentives for Enterprises Act" or "CREATE", Amending Section 20 of the National Internal Revenue Code of 1997, As Amended;*
- BIR RR No. 4-2021, *Implementing the Provisions on Value-Added Tax (VAT) and Percentage Tax Under Republic Act (RA) No. 11534, Otherwise Known as the "Corporate Recovery and Tax Incentives for Enterprises Act" (CREATE) Which Further Amended the National Revenue Code of 1997, as Amended, as Implemented by Revenue Regulations (RR) No. 16-2005 (Consolidated Value-Added Tax Regulations of 2005), As Amended;* and
- BIR RR No. 5-2021, *Implementing the New Income Tax Rates on the Regular Income of Corporations, on Certain Passive Incomes, Including Additional Allowable Deductions from Gross Income of Persons Engaged in Business or Practice of Profession Pursuant to Republic Act (RA) No. 11534 or the "Corporate Recovery and Tax Incentives for Enterprises Act" (CREATE), Which Further Amended the National Revenue Code (NIRC) of 1997.*

The enactment of CREATE Act has no impact to the Cooperative, which is enjoying tax exemption and incentives under Article 60 of the Cooperative Code, as implemented by Section 7 of the Joint Rules and Regulations Implementing Articles 60, 61 and 144 (see Notes 1 and 31).

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### **32. Significant Accounting Policies**

The Cooperative has consistently applied the following policies to all periods presented in these financial statements.

#### Current versus Noncurrent Classification

The Cooperative presents assets and liabilities in the statement of financial condition based on current/noncurrent classification.

An asset is current when:

- it is expected to be realized or intended to be sold or consumed in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to be realized within 12 months after the reporting period; or
- it is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as noncurrent.

### Financial Instruments

#### *Initial Recognition of Financial Instruments*

The Cooperative recognizes a financial asset or a financial liability only when the Cooperative becomes a party to the contractual provisions of the instrument. When a financial asset or a financial liability is recognized initially, the Cooperative shall measure it at the transaction price unless the arrangement constitutes, in effect, a financing transaction. A financing transaction may take place in connection with the sales 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 shall measure 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.

#### *Subsequent Measurement of Financial Instruments*

At the end of each reporting period, the Cooperative shall measure financial instruments as follows, without any deduction for transaction costs it may incur on sale or other disposal:

- Debt instruments shall be measured at amortized cost using the effective or straight-line interest amortization method;
- Debt instrument that are classified as current assets or current liabilities shall be measured at the undiscounted amount of cash or other consideration expected to be paid or received (i.e. net of allowance for probable losses), unless the arrangement constitutes, in effect, a financing transaction, the Cooperative shall measure the debt instrument at the present value of the future payments discounted at a market rate of interest for a similar debt instrument;
- Investments in publicly-traded securities shall be measured at fair value with changes in fair value recognized in the statement of operations.
- Investments in nonpublicly-traded securities, mutual fund and other externally-managed funds shall be measured at cost less impairment.

#### *Impairment of Financial Assets*

At the end of each reporting period, the Cooperative shall assess whether there is objective evidence of impairment of any financial assets. If there is objective evidence of impairment, the Cooperative shall recognize an impairment loss in statement of operations immediately.

Objective evidence that a financial asset or group of assets is impaired includes observable data that come to the attention of the holder of the asset about the following loss events:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the creditor, for economic or legal reasons relating to the debtor's financial difficulty, granting to the debtor a concession that the creditor would not otherwise consider;
- it has become probable that the debtor will enter bankruptcy or other financial reorganization; or
- observable data indicating that there has been a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, even though the decrease cannot yet be identified with the individual financial assets in the group, such as adverse national or local economic conditions or adverse changes in industry conditions.

Allowance for probable losses is provided based on Portfolio-at-risk (PAR) model. Under the PAR model, failure to receive payment one day after the due date of amortization makes the entire loan balance subject to allowance for probable losses.

The Cooperative recognizes dividends and other distributions from investments as income without regard whether the distributions are from accumulated profits of the investee arising before or after the date of acquisition. These are recorded as "Other income" in the statement of operations.

#### *Derecognition of Financial Instruments*

*Financial Assets.* A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the contractual rights to the cash flows from the financial asset have expired or settled; or,
- the Cooperative transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or,
- the Cooperative, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party.

Where the Cooperative has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Cooperative's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of the consideration that the Cooperative could be required to repay.

*Financial Liabilities.* A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of operations.

#### *Offsetting Financial Assets and Liabilities*

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial condition if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented at gross in the statement of financial condition.

#### Insurance Contracts

##### *Product Classification*

Insurance contracts are defined as those contracts under which the Cooperative (the insurer) accepts significant insurance risk from another party (the policyholder) 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 defines significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur.

Insurance contracts can also transfer financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of price or rates, a credit rating or credit index or other variable.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

Insurance contracts are classified with and without Discretionary Participation Feature (DPF). DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are:

- likely to be a significant portion of the total contractual benefits;
- whose amount or timing is contractually at the discretion of the issuer; and
- that are contractually based on the:
  - performance of a specified pool of contracts or a specified type of contract;
  - realized and or unrealized investment returns on a specified pool of assets held by the issuer; or
  - net surplus of the Cooperative, fund or other entity that issues the contract.

The additional benefits include policy dividends that are declared annually, the amounts of which are computed using actuarial methods and assumptions, and are included under "Benefits and claims incurred on insurance contracts" account in the statement of operations with the corresponding liability recognized as part of "Insurance payables" under "Insurance contract liabilities" account in the statement of financial condition.

For financial options and guarantees which are not closely related to the host insurance contract, separate recognition is required to measure these embedded financial derivatives separately at FVPL. Separate recognition is not required if the embedded derivative is in itself an insurance contract or when the host insurance contract is measured at FVPL.

The options and guarantees within the insurance itself contracts by the Cooperative are treated as derivative financial instruments which are closely related to the host insurance and therefore not separately recorded subsequently. As such, the Cooperative does not separately measure options to surrender insurance contracts for a fixed amount (or an amount based on a fixed amount and an interest rate). Likewise, the embedded derivative in unit-linked insurance contracts linking the payments on the contract to units of an internal investment fund meets the definition of an insurance contract and is not therefore accounted for separately from the host insurance contract.

#### *Reinsurance*

The Cooperative cedes insurance risk in the normal course of business. Reinsurance assets primarily include balances due from insurance and reinsurance companies. Amounts due from reinsurers are estimated in a manner consistent with the associated reinsured policies and in accordance with the reinsurance contracts.

An impairment review is performed in all reinsurance assets at each reporting date or when an indication of impairment occurs. Reinsurance assets are impaired only if there is objective evidence that the Cooperative may not receive all amount due to it under the terms of the contract and when the impact on the amounts that the Cooperative will receive from the reinsurers can be measured reliably. The impairment loss is charged to statement of operations.

Ceded reinsurance arrangements do not relieve the Cooperative from its obligation to policyholders.

Ceded reinsurance recoveries are accounted for in the same period as the underlying claims.

Premiums and claims are presented on a gross basis for reinsurance. Reinsurance assets and liabilities are derecognized when the contractual right is extinguished or expired or when the contract is transferred to another party.

#### *Insurance Contract Liabilities*

##### *Life Insurance Contract Liabilities*

Life insurance contract liabilities are recognized when the contracts are entered into and the premiums are recognized. A liability for contractual benefits that is expected to be incurred in the future is recognized as part of "Aggregate reserves for life policies" under "Insurance contract liabilities" account in the statement of financial condition for policies which are in-force as of each reporting date. The liability is determined as the sum of the present value of future benefits and expenses less the present value of future gross premiums arising from the policy discounted at appropriate risk-free discount rate. For this purpose, the expected future cash flows were determined using the best estimate assumptions with appropriate margin for adverse deviation from the expected experience. The liability is based on assumptions as to mortality, morbidity, lapse or persistency, non-guarantee benefits, expenses, reserve method, and interest rate approved by the IC. The reserve for life insurance contracts is calculated using actuarial valuation methods and assumptions, as approved by the IC, subject to LAT.

### Insurance Contracts with Fixed and Guaranteed Terms

The liability is determined as the expected discounted value of the benefit payments less the expected discounted value of the premiums that would be required to meet the benefits based on the valuation assumptions used. The liability is based on mortality, morbidity and investment income assumptions that are established at the time the contract is issued.

Aggregate reserves for life policies are determined by the Cooperative's actuary in accordance with the requirements of the Insurance Code and represent the amounts which, together with future premiums and investment income, are required to discharge the obligations of the insurance contracts and to pay expenses related to the administration of those contracts. These reserves are determined using generally accepted actuarial practices and have been approved by the IC at the product approval stage.

Any movement in aggregate reserve for life policies arising from current period assumptions or changes in assumptions other than discount rate during the year are recognized under "Change in aggregate reserves on life policies and miscellaneous reserves" in the statement of operations. While net movement arising from changes in discount rate during the year is recognized directly in equity as "Remeasurement of aggregate reserves on life policies".

Insurance benefits and claims are recorded when incurred. These are recorded when notices of claims have been received, dividends have been incurred or when policies reach maturity. For unpaid benefits, a liability is recognized for the estimated cost of all claims made but not settled as at reporting date less insurance recoveries. Provision is also recognized for the cost of claims incurred as at reporting date but not reported until after the 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 included in the statement of operations of subsequent years. Unpaid benefits to life policies form part of "Insurance payables" under "Insurance contract liabilities" account in the statement of financial condition.

### Non-life Insurance Contract Liabilities

Insurance contract liabilities are based on the estimated ultimate cost of all claims incurred, whether reported or not, but not settled as at the reporting date together with related claims handling costs and reduction for expected value of salvage and other recoveries. Significant delays can be experienced in the notification and settlement of certain type of insurance claims, particularly in respect of liability business, therefore the ultimate cost of which cannot be known with certainty at the reporting date.

### Insurance Payables

Liabilities for unpaid losses and claims and claim adjustment expenses relating to insurance contracts are accrued when insured events occur. The liability is derecognized when the contract is discharged or cancelled. The liabilities for claims are based on the estimated ultimate cost of settling the claims. The method of determining the expected ultimate cost of claims reported at reporting date are continually reviewed and updated. Changes in estimates of claim costs resulting from the continuous review process and difference between estimates and payments for claims are recognized as income or expense in the period in which the estimates are changed or payments are made.



### IBNR

Provision is made for the cost of claims incurred as at reporting date but not reported until after the reporting date for both life and non-life operations based on the Cooperative's experience and historical data. This is accounted for as provision for IBNR claims under "Insurance contract liabilities" account in the statements of financial condition. Differences between the provision for outstanding claims at the reporting date and subsequent revisions and settlements are included in the statement of operations of subsequent years.

### LAT

LAT is performed annually to ensure the adequacy of the insurance contract liabilities and in the case of non-life insurance contracts, net of related deferred acquisition costs. In performing this test, current best estimates of future contractual cash flows, claims handling and policy administration expenses, as well as investment income from assets backing such liabilities are used. Changes in expected claims that have occurred, but which have not been settled, are reflected by adjusting the liability for claims and future benefit. Any inadequacy is immediately charged to statement of operations by establishing a provision for loss arising from the LAT.

For nonlife insurance contracts, premium liabilities are calculated as the higher of reserve for unearned premiums, net of deferred acquisition costs and the unexpired risk reserve. Unexpired risk reserve is an estimate of total liability including expenses, at a designated level of confidence, in respect of the risk after the valuation date of the policies written prior to that date including expenses for policy management and claims settlement costs. If the unexpired risk reserve is higher than the reserve for unearned premiums, net of deferred acquisition costs, the excess is set up as an additional insurance reserves on top of reserve for unearned premiums and will be recorded as part of "Reserve for unearned premiums" in the statement of financial condition and as part of "Change in reserve for unearned premiums" in the statement of operations.

### Cash and Cash Equivalents

Cash includes cash on hand and in banks which are subject to insignificant risk of change in value and is used by the Cooperative in the management of its short-term commitments. Cash equivalent includes cash in cooperative federations that are short-term, highly liquid investment that is readily convertible to known amount of cash with original maturities of 3 months or less from date of acquisition.

### Short-term Investments

Short-term investments are certificates of deposit which are highly liquid with maturities of more than 3 months but less than 1 year from date of acquisition and are subject to insignificant risk of change involve.

### Loans and Receivables

Loans and receivables are nonderivative financial assets with fixed or determinable payments and are not quoted in an active market.

### Financial Assets at Cost

Financial assets at cost refer to equity securities which are not quoted in an active market and are expected to be realized in cash after 1 year from reporting period (net of impairment).

### Financial Assets at Amortized Cost

Financial assets at amortized cost refer to debt securities (net of impairment).

#### Investment in Associate

Investment in associate refer to equity investments in entities where the Cooperative has significant influence. Significant influence exists when the Cooperative holds 20.00% to 50.00% of the entity's voting shares.

#### Other Current Assets

Other current assets include deposits to suppliers, unused supplies and prepaid expenses and others. These are initially recorded as assets and measured at the amount of cash paid. Subsequent to initial recognition, these are charged to statement of operations as they are consumed in operations or expire with the passage of time.

Deposits to suppliers, unused supplies and prepaid expenses are classified in the statement of financial condition as current assets when the costs and expenses related to prepayments and other current assets are expected to be incurred within 1 year or the Cooperative's normal business operating cycle, whichever is longer. Otherwise, they are classified as noncurrent assets.

#### Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment in value, except for land which is carried at revalued amount.

The initial cost of property and equipment comprises its purchase price, after deducting trade discounts and rebates, and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized in statement of operations in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Subsequent to initial recognition, land is carried at revalued amount which represent fair values as determined by independent appraisers. Other property and equipment are carried at cost less accumulated depreciation and any accumulated impairment loss. Any revaluation surplus on land is recognized in "Revaluation surplus" account under equity section of the statements of financial condition. Revaluations are performed at least every 3 years to ensure that the carrying amount does not materially differ from that which would be determined using fair value at the end of reporting period.

Construction in progress represents properties under construction and is stated at cost, including cost of construction and other direct costs. This is not depreciated until such time that the relevant assets are completed and put into operational use.

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

	<u>Number of Years</u>
Building and improvements	25
Furniture, fixtures and office equipment	3
Transportation equipment	3

The estimated useful lives and depreciation method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment .

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the accounts . Any resulting gain or loss is recognized in the statement of operations.

#### Other Noncurrent Assets

Advances to contractors represent advance payments on services to be performed in connection with the construction of the Cooperative's new building. These are considered as nonfinancial instruments as these will be applied against future billings from contractors and suppliers. Advances to contractors are presented as noncurrent assets under "Other noncurrent assets" in the statement of financial condition since it relates to acquisition of property and equipment.

#### Impairment of Nonfinancial Assets

The carrying amounts of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists and when the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's-length transaction less the cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment loss is recognized in statement of operations.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment loss may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in statement of operations. After such reversal, the depreciation charges are adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

#### Members' Equity

##### *Common Share*

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

##### *Preferred Share*

Preferred share is measured at par value for all shares subscribed. Preferred shares, which are non-voting, are available to regular and associate members.

##### *Contributed Surplus*

Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as contributed surplus.

### Revenue Recognition

Revenue is recognized when it is probable that the economic benefits associated with the transactions will flow to the Cooperative and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts and returns. The Cooperative has concluded that it is the principal in all of its revenue arrangements. Revenue is recognized as follows:

#### *Life Insurance Premiums*

Premiums arising from life insurance contracts are recognized as income on the issue date which coincides with the effective date of the insurance policies for the first year premiums. For the renewal business, gross earned recurring premiums on life insurance contracts are recognized as revenue when they become payable by the policyholder. For gross earned premium contracts, receivables are recorded at the date the payments become due. For single premiums business, revenue is recognized on the date on which the policy becomes effective.

Estimates of premiums written as at the reporting date but not yet received are assessed based on the estimates from underwriting or past experience and are included in premiums earned and recorded in "Insurance receivables" account in the statement of financial condition.

#### *Nonlife Insurance Premiums*

Premiums from insurance contracts are recognized as revenue over the period of the contracts using the 24th method. The portion of the premiums written that relate to the unexpired periods of the policies at each reporting date is accounted for as "Reserve for unearned premiums" and presented under "Insurance contract liabilities" account in the statements of financial condition. The related reinsurance premiums ceded that pertains to the unexpired periods at each reporting date is accounted for as "Deferred reinsurance premiums" and presented in "Reinsurance assets" account in the statement of financial condition.

#### *Other Income*

*Interest income* is recognized as the interest accrues, taking into account the effective yield of the asset net of final tax.

*Other income* is recognized when earned.

### Cost and Expense Recognition

Costs and expenses are recognized in the statement of operations 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.

#### *Benefits and Claims*

These represent the aggregate losses and claims against the Cooperative arising from the life and nonlife insurance contracts issued to policy holders. These include death claims, accidental death benefit, disability claims, health insurance benefits, medical insurance benefits and losses on nonlife insurance contracts.

#### *Underwriting Expenses*

Commissions and collection cost on life insurance are recognized when the insurance contracts are entered into and the related premiums are recognized. It is recorded under "Underwriting expenses" account in profit or loss.

For non-life insurance, commission and other acquisition costs incurred during the financial period that vary with and are related to securing new insurance contracts and or renewing existing insurance contracts, but which relates to subsequent financial periods, are deferred to the extent that they are recoverable out of future revenue margins. All other acquisition costs are recognized as expense when incurred.

Subsequently, these costs are amortized using the 24<sup>th</sup> method over the life of the contract. Amortization is charged to profit or loss. The unamortized acquisition costs are shown as "Deferred acquisition costs" in the statements of financial position.

An impairment review is performed at each reporting date or when an indication of impairment arises. The carrying value of deferred acquisition costs is written down to a recoverable amount. The impairment loss is charged to profit or loss.

Deferred acquisition costs is derecognized when the related contracts are settled or disposed of.

#### *Administrative Costs*

These constitute costs of related to administering the business and costs incurred to sell and market. These are expensed when incurred.

#### *Finance Costs*

Finance costs is recognized using the effective interest method.

#### Employee Benefits

##### *Short-term Benefits*

The Cooperative recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Cooperative has a present, legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

##### *Retirement Benefits*

The Cooperative has a funded, non-contributory defined benefit plan covering all qualified employees. The retirement benefits cost is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Cooperative recognizes service costs, comprising of current service costs, past service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income in statement of operations. Net interest cost is calculated by applying the discount rate to the net retirement payable or asset.

Past service costs are recognized in statement of operations on the earlier of the date of the plan amendment or curtailment and the date that the Cooperative recognizes restructuring-related costs.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on retirement benefits liability or asset) are recognized immediately in statement of operations in the period in which they arise.

The net retirement payable or asset is the aggregate of the present value of the defined benefit obligation and the fair value of plan assets on which the obligations are to be settled directly. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability.

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

#### Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals, including its key management personnel, or corporate entities. Parties are also considered to be related if they are subject to common control with the reporting entity.

#### Related Party Transactions

A related party transaction is a transfer of resources, services or obligations between a reporting cooperative and a related party, regardless of whether a price is charged. Examples of related party transactions include:

- transactions between a cooperative and its key management personnel.
- transactions in which a cooperative or person that controls the reporting cooperative incurs expenses directly that otherwise would have been borne by the reporting cooperative.

#### Provisions and Contingencies

A provision is a liability of uncertain timing or amount. It is recognized when the Cooperative has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

The amount to be recognized as provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

When it is not probable that an outflow of economic benefit will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent assets are not recognized but disclosed in the notes to the financial statements when an inflow of economic benefits is virtually certain.

#### Events After Reporting Date

The Cooperative identifies post-year-end events after the reporting date but before the date when the financial statements were authorized for issue. Any post-year-end events that provide additional information about the Cooperative's financial condition or performance at the end of a reporting period (adjusting events) are recognized in the financial statements. Events that are not adjusting events are disclosed in the notes to the financial statements when material.

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 the statement of operations 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.

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**33. Supplementary Information Required by the BIR RR No.15-2010**

In addition to the disclosures mandated under PFRF for Cooperatives, and such other standards and/or conventions as may be adopted, companies are required by the BIR to provide in the notes to financial statements, certain supplementary information for the taxable year. The amounts relating to such supplementary information may not necessarily be the same with those amounts disclosed in the financial statements which were prepared in accordance with PFRF for Cooperatives. The following are the tax supplementary information required for the taxable year ended December 31, 2020:

**A. VAT**

The Cooperative has no VAT transactions in 2020.

**B. Landed Cost of Imports, Customs Duties and Tariff Fees**

The Cooperative has no import transactions in 2020.

**C. Excise Taxes**

The Cooperative has no transactions subject to excise tax in 2020.

**D. Documentary Stamp Tax**

The Cooperative has no transactions subject to documentary stamp tax in 2020.

**E. Withholding Taxes**

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Tax on compensation and benefits	<b>P9,213,807</b>
Expanded withholding taxes	<b>6,217,773</b>
	<hr/> <b>P15,431,580</b> <hr/>

**F. All Other Taxes (Local and National)**

License and other fees paid during the year amounted to P0.70 million presented as "Taxes, fees and charges" account under "Administrative costs" in the statement of operations.

**G. Tax Cases**

As at December 31, 2020, the Cooperative is not involved in any tax cases and has not received deficiency tax assessments from the BIR.



**1 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES LIFE AND GENERAL INSURANCE**  
**COMPOSITE PROPOSED OPERATING BUDGET FOR 2021**  
**STATEMENT OF OPERATION**

	ACTUAL 2020	VA	BUDGET 2020	VA	VARIANCE	PROPOSED BUDGET 2021	VA
<b>REVENUES</b>							
Gross premiums on insurance contracts	1,155,368,812	116.23%	1,117,700,000	114.74%	37,668,812	1,444,800,000	117.13%
Reinsurer's share of gross premium	(161,364,080)	13.97%	(143,600,000)	12.85%	(17,764,080)	(211,300,000)	14.62%
<i>Net Insurance Premiums</i>	994,004,732	100.00%	974,100,000	100.00%	19,904,732	1,233,500,000	100.00%
Investment Income	48,955,835	4.93%	39,900,000	4.10%	9,055,835	53,800,000	4.36%
Other Income	13,020,626	1.31%	14,400,000	1.48%	(1,379,374)	6,600,000	0.54%
	1,055,981,193	106.24%	1,028,400,000	105.57%	27,581,193	1,293,900,000	104.90%
<b>BENEFITS AND EXPENSES</b>							
Increase (decrease) in legal policy reserves	(27,826,075)	-2.80%	85,200,000	8.75%	(113,026,075)	132,000,000	10.70%
Gross benefits and claims paid	420,508,877	42.30%	340,600,000	34.97%	79,908,877	497,800,000	40.36%
Net Insurance benefits and claims	392,682,802	39.51%	425,800,000	43.71%	(33,117,198)	629,800,000	51.06%
Commission	158,357,250	15.93%	180,700,000	18.55%	(22,342,750)	197,400,000	16.00%
Compensation and Benefits	117,495,090	11.82%	123,300,000	12.40%	(5,804,910)	122,100,000	9.90%
Utilities	5,848,163	0.59%	6,500,000	0.65%	(651,837)	7,400,000	0.60%
Depreciation	5,628,508	0.57%	8,900,000	0.90%	(3,271,492)	13,100,000	1.06%
Postage, Telephone & Telegram	2,410,381	0.24%	3,800,000	0.38%	(1,389,619)	3,200,000	0.26%
Travelling Expenses	2,343,611	0.24%	5,200,000	0.52%	(2,856,389)	3,100,000	0.25%
Professional, Legal & Audit Fee	7,594,242	0.76%	8,400,000	0.85%	(805,758)	8,700,000	0.71%
Printing, Stationery & Supplies	2,233,662	0.22%	3,600,000	0.36%	(1,366,338)	3,000,000	0.24%
Officers Honorarium and Allowance	4,611,660	0.46%	5,300,000	0.53%	(688,340)	4,700,000	0.38%
Conference and Sales Meeting	1,769,913	0.18%	3,700,000	0.37%	(1,930,087)	2,300,000	0.19%
Representation and Entertainment	1,764,386	0.18%	2,800,000	0.28%	(1,035,614)	2,600,000	0.21%
Membership and Association Dues	2,152,890	0.22%	1,500,000	0.15%	652,890	2,000,000	0.16%
Board Meeting Expenses	649,796	0.07%	3,500,000	0.35%	(2,850,204)	1,300,000	0.11%
General Assembly Expenses	2,409,784	0.24%	2,800,000	0.28%	(390,216)	3,000,000	0.24%
Provisions	47,019,599	4.73%	15,500,000	1.56%	31,519,599	5,000,000	0.41%
Advertising/Donation Expenses	1,948,722	0.20%	3,600,000	0.36%	(1,651,278)	2,700,000	0.22%
Business Development Expenses	-	0.00%	1,000,000	0.10%	(1,000,000)	1,000,000	0.08%
Interest Expense	-	0.00%	-	0.00%	-	-	0.00%
General and administrative expenses	4,938,994	0.50%	2,500,000	0.25%	2,438,994	1,500,000	0.12%
	761,859,453	76.65%	808,400,000	82.99%	(46,540,547)	1,013,900,000	82.20%
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	294,121,740	29.59%	220,000,000	22.58%	74,121,740	280,000,000	22.70%
<b>OTHER COMPREHENSIVE INCOME</b>							
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>	294,121,740		220,000,000		74,121,740	280,000,000	

**Cooperative Insurance System of the Philippines  
2021 Capital Outlay**

	Amount	Qty	Amount
<b><u>Computer / IT Equipment</u></b>			
Desktop/Laptop	40,000.00		
Head Office (Vacant Position)		10	400,000
Branch Office		15	600,000
Printer	10,000.00		
Head Office		5	50,000
Branch Office		2	20,000
Regions		5	50,000
Router	10,000.00	3	30,000
Software for ICARD			250,000
Integrated System			24,600,000
Projector	50,000.00	2	100,000
Sophos Cloud Endpoint Protection Advance (Anti-virus)			200,000
Integrated Software (Branch Office & Non Life)			5,000,000
Server	300,000.00		
Head Office		2	600,000
Branch Office		3	900,000
Sub-Total			<b><u><u>32,800,000</u></u></b>
<b><u>Office Equipment</u></b>			
Aircon (inverter)			
Head Office	70,000.00	2	140,000
Branch Office	70,000.00	3	210,000
Regional Office	70,000.00	3	210,000
Emergency Light	5,000.00	11	55,000
Generator Set			
Branch Office			800,000
Photocopying machine			
Branch Office	50,000.00	1	50,000
Sub-Total			<b><u><u>1,465,000</u></u></b>

**Cooperative Insurance System of the Philippines  
2021 Capital Outlay**

	Amount	Qty	Amount
<b><u>Office Furniture &amp; Fixtures</u></b>			
Head Office (for the new building)			15,000,000.00
Branch Office (for the newly renovated building)		3	3,000,000.00
Sub-Total			<u><u>18,000,000.00</u></u>
Regional Office			
Clerical Office Chair w/ arm	3,000	14	42,000.00
Executive Chair w/ arm	4,000	14	56,000.00
Pedestal Cabinet Model	6,000	14	84,000.00
Cubicle Table	9,000	14	126,000.00
Steel Cabinet Brown	13,000	14	182,000.00
Visitor Chair Black Lobby	2,000	14	28,000.00
Folding Table	3,000	4	12,000.00
Records Cabinet OD:96 Hx42 Wx16D	21,000	14	294,000.00
Sub-Total			<u><u>824,000.00</u></u>
<b><u>Building/Improvements</u></b>			
Head Office (newly acquired land)			
Construction of Building (Balance)			60,000,000.00
Branch Office (CDO)			
Renovation of Building			1,000,000.00
Branch Office (Davao)			
Land			5,000,000.00
Building Construction			15,000,000.00
Branch Office (Visayas)			
Land			5,000,000.00
Building Construction			15,000,000.00
Sub-Total			<u><u>101,000,000.00</u></u>
<b>TOTAL</b>			<u><u>154,089,000.00</u></u>

**AUDIT COMMITTEE REPORT**  
**For the Year Ending December 31, 2020**

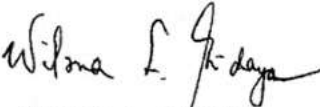
The General Assembly  
1 Cooperative Insurance System of the Philippines Life and General Insurance  
#80 Malakas St., Brgy. Pinyahan, Diliman  
Quezon City

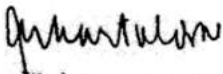
We have examined the compliance to the industry standards of the 1 Cooperative Insurance System of the Philippines Life and General Insurance for the year ending December 31, 2020. Our responsibility is to render a report on the company's compliance to said standards based on our examination.

In our opinion, based on the report rendered by the KPMG R. G. Manabat & Co. and in accordance with the Performance and Social Audit of Cooperatives, the 1 Cooperative Insurance System of the Philippines Life and General Insurance obtained the following ratings for the year ending December 31, 2020.

<b>Basis of Opinion</b>	<b>Rating</b>
Draft of the 2020 Financial Statements	
CDA Social Audit	Very Satisfactory
CDA Performance Audit	Satisfactory

We conducted our examination in accordance with the Cooperative Development Authority (CDA) Guidelines on Performance and Social Audit of Cooperatives, ASEAN Corporate Governance Scorecard and the Audit Report rendered by KPMG R. G. Manabat & Co.. These standards require that we plan and perform the examination to ensure reasonable assurance about whether the 1 Cooperative Insurance System of the Philippines Life and General Insurance complies with the standards set by the governing/regulating agencies. The examination included validating the Cooperative Performance Audit Report (PAR), accomplishing the Social Audit Questionnaires and calculating the points earned by the 1 Cooperative Insurance System of the Philippines Life and General Insurance based on parameters/criteria set forth under the CDA and Insurance Commission guidelines. We believe that our examination provided a reasonable basis to render a rating on the Insurance Company's Performance.

  
WILMA L. G. DAYA  
Audit and Inventory  
Committee Chairperson

  
MARITES M. BARTOLOME  
Audit and Inventory  
Committee Secretary

  
JAYSAN RAY N. CHEE  
Audit and Inventory  
Committee Member

## 1CISP 5-YEAR STRATEGIC PLANNING 2021

MISSION	VISION
A viable and socialized cooperative insurance service that protects and empowers Filipinos, especially those who have less in life	To insure three million Filipinos by 2025

### BALANCED SCORECARD PERSPECTIVES

#### FINANCIAL PROJECTION (2021-2025)

	ACTUAL + INDICATIVE 2020			PROPOSED BUDGET 2021			PROPOSED BUDGET 2022			PROPOSED BUDGET 2023			PROPOSED BUDGET 2024			PROPOSED BUDGET 2025		
	LIFE	NONLIFE	COMPO-SITE	LIFE	NONLIFE	COMPO-SITE	LIFE	NONLIFE	COMPO-SITE	LIFE	NONLIFE	COMPO-SITE	LIFE	NONLIFE	COMPO-SITE	LIFE	NONLIFE	COMPO-SITE
GROSS PREMIUM	1,011.63	138.65	1,150.28	1,264.60	180.30	1,444.90	1,580.80	234.40	1,815.20	1,976.00	304.80	2,280.80	2,470.00	396.30	2,866.30	3,087.50	515.20	3,602.70
NET SURPLUS	213.30	2.07	215.37	256.80	12.60	269.40	321.10	18.80	339.90	401.70	27.70	429.40	501.90	38.00	539.90	627.90	53.20	681.10
ASSETS	3,161.52	1,336.72	4,498.24	3,677.57	1,429.33	5,106.90	4,324.30	1,553.94	5,878.24	5,130.13	1,717.95	6,848.08	6,140.86	1,929.07	8,069.93	7,361.89	2,199.08	9,560.97
CAPITAL	1,261.41	870.42	2,131.83	1,560.73	890.42	2,451.15	1,780.49	920.42	2,700.91	2,055.26	960.42	3,015.68	2,396.45	1,010.42	3,406.87	2,817.78	1,070.42	3,888.20
RDC	17%	0.24%	10%	16%	1%	11%	18%	2%	13%	20%	3%	14%	21%	4%	16%	22%	5%	18%
PROFITABILITY NET	26%	2%	23%	25%	8%	23%	25%	9%	23%	25%	11%	23%	25%	11%	23%	25%	12%	23%

#### 2020

#### ACTUAL + INDICATIVE 2020 (amount in millions)

	ACTUAL + INDICATIVE 2020		
	LIFE	NON-LIFE	COMPOSITE
GROSS	1,012	139	1,150
NET SURPLUS	213	2	215
ASSETS	3,162	1,337	4,498
CAPITAL	1,261	870	2,132
ROC	17%	0.24%	10%
PROFITABILITY NET	26%	2%	23%

#### 2021

#### FINANCIAL PROJECTIONS (amount in millions)

	PROPOSED BUDGET 2021		
	LIFE	NON-LIFE	COMPOSITE
GROSS	1,265	180	1,445
NET SURPLUS	257	13	269
ASSETS	3,678	1,429	5,107
CAPITAL	1,561	890	2,451
ROC	16%	1%	11%
PROFITABILITY NET	25%	8%	23%

## FINANCIAL PERSPECTIVE

STRATEGIES	DEPARTMENT RESPONSIBLE	BUDGET
Provide viable and actuarially sound premium in the creation of new insurance product	Actuarial & Reinsurance Department	Included in SMD Business & Product Development Section Budget
Reduce reinsurance expenses by 12% from the gross premium	Actuarial & Reinsurance Department	-
Decrease/control operating expenses of 1CISP	Accounting Department	-
Enhance 1CISP investment strategy by engaging & dividing investments into three (3) categories, to wit: <ol style="list-style-type: none"> <li>1. Fixed rate/conservative/low risk investments</li> <li>2. High risk/aggressive investments</li> <li>3. Compliance/Mandatory Investments</li> </ol>	Investment Section	PHP 430,000.00
Establish a strong team of investment managers/analysts to enrich 1CISP's investment portfolio with the addition of an investment analyst	Investment Section	PHP 380,000.00 + HR budget for manpower

## INTERNAL BUSINESS PERSPECTIVE

STRATEGIES	DEPARTMENT RESPONSIBLE	BUDGET
Ensure timely and full compliance of mandated reports to regulatory bodies	Legal & Compliance Department	PHP 130,000.00 + HR Budget
Establish cooperative risk mitigation programs to safeguard 1CISP from legal risks	Legal & Compliance Department	PHP 150,000.00
Develop an innovative & market-responsive insurance solutions **With assumption of 1-2 NEW products per year	Business, Product, & Development Section	PHP 265,650.00
Strengthen Research and Development Section by hiring two (2) additional manpower by 2021 and providing research-related trainings from 2021-2025	Research & Development Section	Included in submitted 2021 budget + HR budget
Strengthen Legal and Compliance Team by exposure to trainings and in-house consultants	Legal & Compliance Department	Included in HR Budget
Develop, test, and implement 1CISP's Core Insurance System (CIS), an integrated system to be used by all internal departments to streamline front-end and back-end operations	IT Department	Included in submitted budget for 2021 and HR budget
Develop mobile applications that can increase productivity and flexibility, the app will be integrated to the CIS system	IT Department	PHP 50,000.00

Conduct annual operational audit	Audit Department	Included in submitted budget for 2021
Decentralize operations by opening 3 additional branches (each in 2021, 2023 and 2025) and 5 area offices.	1CISP Planning Department	PHP 60,300,000.00 + HR Budget
Upgrade and install business continuity program and disaster recovery program indicating all necessary actions to be taken and the focal person/s to be contacted in times of disaster/calamity. The structure/plan should be accessible and visible to all 1CISP personnel.	1CISP Planning Department	PHP 80,000.00
Develop and implement the LEAN Process in utilizing new the Core Insurance System (CIS)	Life Operations Division	-
Improve the back-end support to sales team and cooperatives through digitalization	Non-Life Operations Division	-
Observe and manage 1CISP risk acceptance through keen underwriting process	Non-Life Operations Division	-
Launch new high quality insurance products with attractive prices by 2021	Non-Life Operations Division	-

#### CUSTOMER PERSPECTIVE

STRATEGIES	DEPARTMENT RESPONSIBLE	BUDGET
Strengthen our members engagement through coop incentive programs	Marketing Development Section	PHP 255,000.00
Boost engagement of 1CISP coop members by continuously providing value-added programs and services	Marketing Development Section	PHP 1,120,000.00
Increase advertising and promotion campaign of 1CISP products, programs, and services utilizing all available media	Marketing Development Section	PHP 78,250.00
Increase penetration to primary market to achieve the vision by tapping micro, small, and medium cooperatives	Sales Development Section	PHP 600,000.00
Increase market reach by utilizing various distribution channels specifically the 1KIN for 1CISP products	1KIN Development Section	PHP 1,100,000.00
Create a chatbot that will answer FAQs of customers e.g. Facebook Chatbot	IT Department	-
Improve the company website to make it more interactive with the site visitors.	IT Department	PHP 15,121.46

Increase positive customer experience in dealing with Life Operations Division Transactions through digitalization	Life Operations Division	-
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#### LEARNING AND GROWTH PERSPECTIVE

STRATEGIES	DEPARTMENT RESPONSIBLE	BUDGET
Invest on the capability development of employees/sales personnel to further expand their knowledge based on their training needs analysis	HR	PHP 8,730,000.00
Establish a good company culture by conducting annual HR orientation and activities that will help the employees/sales personnel to remain motivated and focused.	HR	PHP 4,185,000.00
Ensure employee and sales personnel career development through establishment of hybrid roles and implementation of job shadowing and job rotation program.	HR	Included in 2021 budget
Sustain effectiveness and efficiency of employees through continuous internal coaching and mentoring	HR	Included in 2021 budget
Establish an excellent succession planning by ensuring that employees are developed to fill each key role within the cooperative	HR	Included in 2021 budget
Integrate compliance to the culture of the cooperative by conducting trainings and establishing a culture of accountability	Legal and Compliance	PHP 100,000.00
To educate all officers & employees regarding tax implications and treatments.	Accounting	PHP 20,000.00

**TOTAL 2021 BUDGET FOR THE STRATEGIES**  
**PHP 77,989,021.46**

#### 2022

#### FINANCIAL PROJECTIONS (amount in millions)

	PROPOSED BUDGET 2022		
	LIFE	NON-LIFE	COMPOSITE
GROSS	1,581	234	1,815
NET SURPLUS	321	19	340
ASSETS	4,324	1,554	5,878
CAPITAL	1,780	920	2,701
ROC	18%	2%	13%
PROFITABILITY NET	25%	9%	23%



## FINANCIAL PERSPECTIVE

STRATEGIES	DEPARTMENT RESPONSIBLE	BUDGET
Provide viable and actuarially sound premium	Actuarial & Reinsurance Department	Included in SMD Business & Product Development Section Budget
Reduce reinsurance expenses	Actuarial & Reinsurance Department	-
Decrease/control operating expenses of 1CISP	Accounting Department	-
Enhance 1CISP investment strategy to enable 1CISP to price its products more competitively	Investment Section	PHP 430,000.00
Establish a strong team of investment managers/analysts to enrich 1CISP's investment portfolio	Investment Section	PHP 320,000.00

## INTERNAL BUSINESS PERSPECTIVE

STRATEGIES	DEPARTMENT RESPONSIBLE	BUDGET
Ensure full compliance to regulatory bodies	Legal & Compliance Department	PHP 30,000.00
Establish cooperative risk mitigation programs to safeguard 1CISP from legal risks	Legal & Compliance Department	PHP 75,000.00
Develop an innovative & market-responsive insurance solutions **With assumption of 1-2 NEW products per year	Business, Product, & Development Section	PHP 265,650.00
Strengthen Research and Development Section	Research & Development Section	PHP 1,460,000.00
Strengthen Legal and Compliance Team	Legal & Compliance Department	Included in HR Budget
Develop mobile applications that can increase productivity and flexibility, the app will be integrated to the CIS system	IT Department	PHP 50,000.00
Conduct regular operational audit	Audit Department	PHP 420,000.00
Decentralize operations by opening 3 additional branches (each in 2021, 2023 and 2025) and 5 area offices.	1CISP Planning Department	PHP 30,150,000.00 + HR Budget
Upgrade and install business continuity program and disaster recovery program indicating all	1CISP Planning Department	PHP 80,000.00

necessary actions to be taken and the focal person/s to be contacted in times of disaster/calamity. The structure/plan should be accessible and visible to all 1CISP personnel.		
Develop and implement the LEAN Process in utilizing new Core Insurance System (CIS)	Life Operations Division	-
Strengthen Life Operations Division's risk management of incoming risks	Life Operations Division	-
Improve business efficiency	Non-Life Operations Division	-
Observe and manage 1CISP risk acceptance	Non-Life Operations Division	-
Provide high quality insurance products with attractive prices	Non-Life Operations Division	-

#### **CUSTOMER PERSPECTIVE**

<b>STRATEGIES</b>	<b>DEPARTMENT RESPONSIBLE</b>	<b>BUDGET</b>
Strengthen our Coop Incentives program	Marketing Development Section	PHP 320,000.00
Boost engagement of 1CISP coop members by continuously providing value-added programs and services	Marketing Development Section	PHP 1,120,000.00
Increase advertising and promotion campaign of 1CISP products, programs and services utilizing all available media	Marketing Development Section	PHP 178,250.00
Increase penetration of primary market to achieve the vision	Sales Development Section	-
Increase market reach by utilizing various distribution channels for 1CISP products	1KIN Development Section	PHP 2,250,000.00
Improve the company website to make it more interactive with the site visitors.	IT Department	PHP 15,121.46
Increase positive customer experience in dealing with Life Operations Division Transactions	Life Operations Division	Reflected in R&D Budget

## LEARNING AND GROWTH PERSPECTIVE

STRATEGIES	DEPARTMENT RESPONSIBLE	BUDGET
Invest on the capability development of employees/sales personnel to further expand their knowledge.	HR	PHP 9,166,500.00
Establish a good company culture so employees/sales personnel are motivated and focused.	HR	PHP 4,394,250.00
Ensure employee and sales personnel career development	HR	-
Sustain effectiveness and efficiency of employees	HR	-
Have an excellent succession planning	HR	-
Integrate compliance to the culture of the cooperative	HR	-
Attend trainings to strengthen and enhance the capabilities of the Audit Team members	Audit	PHP 200,000.00

**TOTAL 2022 BUDGET FOR THE STRATEGIES**  
**PHP 50,924,771.46**

**2023**

## FINANCIAL PROJECTIONS (amount in millions)

	PROPOSED BUDGET 2023		
	LIFE	NON-LIFE	COMPOSITE
GROSS	1,976	305	2,281
NET SURPLUS	402	28	429
ASSETS	5,130	1,718	6,848
CAPITAL	2,055	960	3,016
ROC	20%	3%	14%
PROFITABILITY NET	25%	11%	23%

## FINANCIAL PERSPECTIVE

STRATEGIES	DEPARTMENT RESPONSIBLE	BUDGET
Provide viable and actuarially sound premium	Actuarial & Reinsurance Department	Included in SMD Business & Product Development Section Budget
Reduce reinsurance expenses	Actuarial & Reinsurance Department	-
Decrease/control operating expenses of 1CISP	Accounting Department	-

Enhance 1CISP investment strategy to enable 1CISP to price its products more competitively	Investment Section	PHP 430,000.00
Establish a strong team of investment managers/analysts to enrich 1CISP's investment portfolio	Investment Section	PHP 320,000.00

### INTERNAL BUSINESS PERSPECTIVE

STRATEGIES	DEPARTMENT RESPONSIBLE	BUDGET
Ensure full compliance to regulatory bodies	Legal & Compliance Department	PHP 30,000.00
Establish cooperative risk mitigation programs to safeguard 1CISP from legal risks	Legal & Compliance Department	PHP 75,000.00
Develop an innovative & market-responsive insurance solutions **With assumption of 1-2 NEW products per year	Business, Product, & Development Section	PHP 265,650.00
Strengthen Research and Development Section	Research & Development Section	PHP 1,460,000.00
Strengthen Legal and Compliance Team	Legal & Compliance Department	Included in HR Budget
Develop mobile applications that can increase productivity and flexibility, the app will be integrated to the CIS system	IT Department	PHP 50,000.00
Conduct regular operational audit	Audit Department	PHP 490,000.00
Decentralize operations by opening 3 additional branches (each in 2021, 2023 and 2025) and 5 area offices.	1CISP Planning Department	PHP 60,300,000.00 + HR Budget
Upgrade and install business continuity program and disaster recovery program indicating all necessary actions to be taken and the focal person/s to be contacted in times of disaster/calamity. The structure/plan should be accessible and visible to all 1CISP personnel.	1CISP Planning Department	PHP 80,000.00
Develop and implement the LEAN Process in utilizing new Core Insurance System (CIS)	Life Operations Division	-
Improve business efficiency	Non-Life Operations Division	-
Observe and manage 1CISP risk acceptance	Non-Life Operations Division	-
Provide high quality insurance products with attractive price	Non-Life Operations Division	-

## CUSTOMER PERSPECTIVE

STRATEGIES	DEPARTMENT RESPONSIBLE	BUDGET
Strengthen our coop incentives programs	Marketing Development Section	PHP 370,000.00
Boost engagement of 1CISP coop members by continuously providing value-added programs and services	Marketing Development Section	PHP 1,120,000.00
Increase advertising and promotion campaign of 1CISP products, programs and services utilizing all available media	Marketing Development Section	PHP 178,250.00
Increase penetration of primary market to achieve the vision	Sales Development Section	PHP 600,000.00
Increase market reach by utilizing various distribution channels for 1CISP products	1KIN Development Section	PHP 2,350,000.00
Improve the company website to make it more interactive with the site visitors.	IT Department	PHP 15,121.46
Increase positive customer experience in dealing with Life Operations Division Transactions	Life Operations Division	Reflected in R&D Budget

## LEARNING AND GROWTH PERSPECTIVE

STRATEGIES	DEPARTMENT RESPONSIBLE	BUDGET
Invest on the capability development of employees/sales personnel to further expand their knowledge.	HR	PHP 9,624,825.00
Establish a good company culture so employees/sales personnel are motivated and focused.	HR	PHP 4,613,962.50
Ensure employee and sales personnel career development	HR	-
Sustain effectiveness and efficiency of employees (LGP)	HR	-
Have an excellent succession planning	HR	-
Attend trainings to strengthen and enhance the capabilities of the Audit Team members	Audit	PHP 200,000.00
Integrate compliance to the culture of the cooperative	Legal & Compliance	PHP 100,000.00

**TOTAL 2023 BUDGET FOR THE STRATEGIES**  
**PHP 82,672,808.96**

**2024**

**FINANCIAL PROJECTIONS** (amount in millions)

	PROPOSED BUDGET 2024		
	LIFE	NON-LIFE	COMPOSITE
GROSS	2,470	396	2,866
NET SURPLUS	502	38	540
ASSETS	6,141	1,929	8,070
CAPITAL	2,396	1,010	3,407
ROC	21%	4%	16%
PROFITABILITY NET	25%	11%	23%

**FINANCIAL PERSPECTIVE**

STRATEGIES	DEPARTMENT RESPONSIBLE	BUDGET
Provide viable and actuarially sound premium	Actuarial & Reinsurance Department	Included in SMD Business & Product Development Section Budget
Reduce reinsurance expenses	Actuarial & Reinsurance Department	-
Decrease/control operating expenses of 1CISP	Accounting Department	-
Enhance 1CISP investment strategy to enable 1CISP to price its products more competitively	Investment Section	PHP 430,000.00
Establish a strong team of investment managers/analysts to enrich 1CISP's investment portfolio	Investment Section	PHP 200,000.00

**INTERNAL BUSINESS PERSPECTIVE**

STRATEGIES	DEPARTMENT RESPONSIBLE	BUDGET
Ensure full compliance to regulatory bodies	Legal & Compliance Department	PHP 30,000.00
Establish cooperative risk mitigation programs to safeguard 1CISP from legal risks	Legal & Compliance Department	PHP 75,000.00
Develop an innovative & market-responsive insurance solutions **With assumption of 1-2 NEW products per year	Business, Product, & Development Section	PHP 265,650.00
Strengthen Research and Development Section	Research & Development Section	PHP 1,460,000.00

Strengthen Legal and Compliance Team	Legal & Compliance Department	Included in HR Budget
Develop mobile applications that can increase productivity and flexibility, the app will be integrated to the CIS system	IT Department	PHP 50,000.00
Conduct regular operational audit	Audit Department	PHP 560,000.00
Decentralize operations by opening 3 additional branches (each in 2021, 2023 and 2025) and 5 area offices.	1CISP Planning Department	PHP 30,150,000.00 + HR Budget
Upgrade and install business continuity program and disaster recovery program indicating all necessary actions to be taken and the focal person/s to be contacted in times of disaster/calamity. The structure/plan should be accessible and visible to all 1CISP personnel.	1CISP Planning Department	PHP 80,000.00
Develop and implement the LEAN Process in utilizing new Core Insurance System (CIS)	Life Operations Division	-
Improve business efficiency	Non-Life Operations Division	-
Observe and manage 1CISP risk acceptance	Non-Life Operations Division	-
Provide high quality insurance products with attractive price	Non-Life Operations Division	-

#### CUSTOMER PERSPECTIVE

STRATEGIES	DEPARTMENT RESPONSIBLE	BUDGET
Strengthen our coop incentives programs	Marketing Development Section	PHP 420,000.00
Boost engagement of 1CISP coop members by continuously providing value-added programs and services	Marketing Development Section	PHP 1,120,000.00
Increase advertising and promotion campaign of 1CISP products, programs, and services utilizing all available media	Marketing Development Section	PHP 178,250.00
Increase penetration of primary market to achieve the vision	Sales Development Section	-
Increase market reach by utilizing various distribution channels for 1CISP products	1KIN Development Section	PHP 2,300,000.00

Improve the company website to make it more interactive with the site visitors.	IT Department	PHP 15,121.46
Increase positive customer experience in dealing with Life Operations Division Transactions	Life Operations Division	-

#### LEARNING AND GROWTH PERSPECTIVE

STRATEGIES	DEPARTMENT RESPONSIBLE	BUDGET
Invest on the capability development of employees/sales personnel to further expand their knowledge.	HR	PHP 10,106,066.25
Establish a good company culture so employees/sales personnel are motivated and focused.	HR	PHP 4,844,660.625
Ensure employee and sales personnel career development	HR	-
Sustain effectiveness and efficiency of employees (LGP)	HR	-
Have an excellent succession planning	HR	-
Attend trainings to strengthen and enhance the capabilities of the Audit Team members	Audit	PHP 200,000.00
Integrate compliance to the culture of the cooperative	Legal & Compliance	-

#### TOTAL 2024 BUDGET FOR THE STRATEGIES

PHP 52,484,748.34

#### 2025

#### FINANCIAL PROJECTIONS (amount in millions)

	PROPOSED BUDGET 2025		
	LIFE	NON-LIFE	COMPOSITE
GROSS	3,088	515	3,603
NET SURPLUS	628	53	681
ASSETS	7,362	2,199	9,561
CAPITAL	2,818	1,070	3,888
ROC	22%	5%	18%
PROFITABILITY NET	25%	12%	23%



## FINANCIAL PERSPECTIVE

STRATEGIES	DEPARTMENT RESPONSIBLE	BUDGET
Provide viable and actuarially sound premium	Actuarial & Reinsurance Department	Included in SMD Business & Product Development Section Budget
Reduce reinsurance expenses	Actuarial & Reinsurance Department	-
Decrease/control operating expenses of 1CISP	Accounting Department	-
Enhance 1CISP investment strategy to enable 1CISP to price its products more competitively	Investment Section	PHP 230,000.00
Establish a strong team of investment managers/analysts to enrich 1CISP's investment portfolio	Investment Section	PHP 200,000.00

## INTERNAL BUSINESS PERSPECTIVE

STRATEGIES	DEPARTMENT RESPONSIBLE	BUDGET
Ensure full compliance to regulatory bodies	Legal & Compliance Department	PHP 30,000.00
Establish cooperative risk mitigation programs to safeguard 1CISP from legal risks	Legal & Compliance Department	PHP 75,000.00
Develop an innovative & market-responsive insurance solutions **With assumption of 1-2 NEW products per year	Business, Product, & Development Section	PHP 265,650.00
Strengthen Research and Development Section	Research & Development Section	PHP 1,460,000.00
Strengthen Legal and Compliance Team	Legal & Compliance Department	Included in HR Budget
Develop, test, and implement 1CISP's Core Insurance System (CIS), an integrated system to be used by all internal departments to streamline front-end and back-end operations	IT Department	PHP 50,000.00
Conduct regular operational audit	Audit Department	PHP 630,000.00
Decentralize operations by opening 3 additional branches (each in 2021, 2023 and 2025) and 5 area offices.	1CISP Planning Department	PHP 60,300,000.00 + HR Budget
Upgrade and install business continuity program and disaster recovery program indicating all	1CISP Planning Department	PHP 80,000.00

necessary actions to be taken and the focal person/s to be contacted in times of disaster/calamity. The structure/plan should be accessible and visible to all 1CISP personnel.		
Develop and implement the LEAN Process in utilizing new Core Insurance System (CIS)	Life Operations Division	-
Improve business efficiency	Non-Life Operations Division	-
Observe and manage 1CISP risk acceptance	Non-Life Operations Division	-
Provide high quality insurance products with attractive price	Non-Life Operations Division	-

### CUSTOMER PERSPECTIVE

STRATEGIES	DEPARTMENT RESPONSIBLE	BUDGET
Strengthen our coop incentive programs	Marketing Development Section	PHP 520,000.00
Boost engagement of 1CISP coop members by continuously providing value-added programs and services	Marketing Development Section	PHP 1,120,000.00
Increase advertising and promotion campaign of 1CISP products, programs and services utilizing all available media	Marketing Development Section	PHP 178,250.00
Increase penetration to primary market to achieve the vision	Sales Development Section	PHP 600,000.00
Increase market reach by utilizing various distribution channels for 1CISP products	1KIN Development Section	PHP 2,300,000.00
Improve the company website to make it more interactive with the site visitors.	IT Department	PHP 15,121.46
Increase positive customer experience in dealing with Life Operations Division Transactions	Life Operations Division	-

### LEARNING AND GROWTH PERSPECTIVE

STRATEGIES	DEPARTMENT RESPONSIBLE	BUDGET
Invest on the capability development of employees/sales personnel to further expand their knowledge.	HR	PHP 10,611,369.56

Establish a good company culture so employees/sales personnel are motivated and focused.	HR	PHP 5,086,893.66
Ensure employee and sales personnel career development	HR	-
Sustain effectiveness and efficiency of employees (LGP)	HR	-
Have an excellent succession planning	HR	-
Attend trainings to strengthen and enhance the capabilities of the Audit Team members	Audit	PHP 200,000.00
Integrate compliance to the culture of the cooperative	Legal & Compliance	PHP 100,000.00

**TOTAL 2025 BUDGET FOR THE STRATEGIES**  
**PHP 84,052,284.68**

**FINANCIAL PERSPECTIVE**

STRATEGIES	DEPARTMENT RESPONSIBLE	TIMELINE
Provide viable and actuarially sound premium	Actuarial & Reinsurance Department	2021-2025
Reduce reinsurance expenses	Actuarial & Reinsurance Department	2021-2025
Decrease/control operating expenses of 1CISP	Accounting Department	2021-2025
Enhance 1CISP investment strategy to enable 1CISP to price its products more competitively	Investment Section	2021-2025
Establish a strong team of investment managers/analysts to enrich 1CISP's investment portfolio	Investment Section	2021-2025

**INTERNAL BUSINESS PERSPECTIVE**

STRATEGIES	DEPARTMENT RESPONSIBLE	TIMELINE
Ensure full compliance to regulatory bodies	Legal & Compliance Department	2021-2025
Establish cooperative risk mitigation programs to safeguard 1CISP from legal risks	Legal & Compliance Department	2021-2025
Develop an innovative & market-responsive insurance solutions **With assumption of 1-2 NEW products per year	Business, Product, & Development Section	2021-2025

Strengthen Research and Development Section	Research & Development Section	2021-2025
Ensure full compliance to regulatory bodies	Legal & Compliance Department	2021-2025
Strengthen Legal and Compliance Team	Legal & Compliance Department	2021-2025
Develop, test, and implement 1CISP's Core Insurance System (CIS), an integrated system to be used by all internal departments to streamline front-end and back-end operations	IT Department	2020-2025
Develop mobile applications that can increase productivity and flexibility, the app will be integrated to the CIS system	IT Department	2021-2022
Conduct regular operational audit	Audit Department	2021-2025
Decentralize operations by opening 3 additional branches (each in 2021, 2023 and 2025) and 5 area offices.	1CISP Planning Department	2021-2025
Upgrade and install business continuity program and disaster recovery program indicating all necessary actions to be taken and the focal person/s to be contacted in times of disaster/calamity. The structure/plan should be accessible and visible to all 1CISP personnel.	1CISP Planning Department	2021-2025
Develop and implement the LEAN Process in utilizing new Core Insurance System (CIS)	Life Operations Division	2021-2025
Strengthen Life Operations Division risk management of incoming risks	Life Operations Division	2022
Improve business efficiency	Non-Life Operations Division	2021-2025
Improve the back-end support to sales team and cooperatives	Non-Life Operations Division	2021
Observe and manage 1CISP risk acceptance	Non-Life Operations Division	2021-2025
Provide high quality insurance products with attractive price	Non-Life Operations Division	2021-2025

## CUSTOMER PERSPECTIVE

STRATEGIES	DEPARTMENT RESPONSIBLE	TIMELINE
Strengthen our coop incentive programs	Marketing Development Section	2021-2025
Boost engagement of 1CISP coop members by continuously providing value-added programs and services	Marketing Development Section	2021-2025
Increase advertising and promotion campaign of 1CISP products, programs and services utilizing all available media	Marketing Development Section	2021-2025
Increase penetration to primary market to achieve the vision	Sales Development Section	2021-2025
Increase market reach by utilizing various distribution channels for 1CISP products	1KIN Development Section	2021
Create a chatbot that would answer FAQs of customers e.g. Facebook Chatbot	IT Department	2021
Improve the company website to make it more interactive with the site visitors.	IT Department	2021
Increase positive customer experience in dealing with Life Operations Division Transactions	Life Operations Division	2021-2025

## LEARNING AND GROWTH PERSPECTIVE

STRATEGIES	DEPARTMENT RESPONSIBLE	TIMELINE
Invest on the capability development of employees/sales personnel to further expand their knowledge.	HR	2021-2025
Establish a good company culture so employees/sales personnel are motivated and focused.	HR	2021-2025
Ensure employee and sales personnel career development	HR	2021-2025
Sustain effectiveness and efficiency of employees (LGP)	HR	2021-2025
Have an excellent succession planning	HR	2021-2025
Integrate compliance to the culture of the cooperative	HR	2021-2025

## ACTION PLANS

### ACTION STEPS WITH BUDGET

DEPARTMENT / DIVISION / SECTION	ACTION STEPS						ITEM TOTAL BUDGET
		2021	2022	2023	2024	2025	
Accounting	***Coordinate with marketing if the tax seminars identified will be needed by member cooperatives	20,000.00					20,000
	***First batch of Officers and Employees						
	***Registration of participants of member cooperatives						
	***Second Batch of Officers and Employees						
	***Third Batch of Officers and Employees						
	***First batch of one representative per member cooperatives						
	***There will be second batch for member cooperatives depending on the registrants						
Marketing Development	1. Strengthen our coop incentive programs	235,000.00	300,000.00	350,000.00	400,000.00	500,000.00	1,785,000.00
	1.a 2021 Incentive Program - Most number of insured (Microinsurance category)						
	1.b Plaque and token of appreciation to the winners	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	100,000.00
	2. Boost engagement of 1CISP coop members by continuously providing value-added programs and services - OWNERS' FORUM	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	5,000,000.00
	2.a Request for the budget for the professional fee of the consultant (acting Editor-in-chief)	120,000.00	120,000.00	120,000.00	120,000.00	120,000.00	600,000.00
	3. Increase advertising and promotion campaign of 1CISP products, programs, and services utilizing all available media - SUBSCRIPTION TO QUADMEDIA		100,000.00	100,000.00	100,000.00	100,000.00	400,000.00
	3.a Token of appreciation for the media/bloggers to cover press releases	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	300,000.00
	3.b Exchange deals of insurance coverage to advertisement	18,250.00	18,250.00	18,250.00	18,250.00	18,250.00	91,250.00
CISP Planning	2. Conduct feasibility study (FS for year 2021-2022: 1 Branch Office, 2 Satellite Offices   FS for year 2023-2024: 1 Branch Office, 2 Satellite Offices   FS for 2025: 1 Branch Office, 1 Satellite Office)	50,000.00		50,000.00		50,000.00	150,000.00
	3.3. Simultaneously as well: Legal & Compliance Team to obtain permits/licenses required for the new office	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	250,000.00
	3.5. Commence building construction/renovation	60,000,000.00	30,000,000.00	60,000,000.00	30,000,000.00	60,000,000.00	240,000,000.00
	3.6. Procurement and installation of office equipment and software						
	4.1. Opening of branch and area offices	200,000.00	100,000.00	200,000.00	100,000.00	200,000.00	800,000.00

	1.1. Defining ICISP's business continuity purpose: Determine the scope of ICISP's BCP	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	<b>50,000.00</b>
	2. Determine Risks that threaten the Cooperative: Risk mapping by conducting business impact analysis						
	3.1. Developing these three (3) business continuity strategies: (1) protection and mitigation; (2) emergency response; (3) rehabilitation and recovery.						
	4.1. Test and monitor the plan	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	<b>250,000.00</b>
	4.2. Improve the plan when needed						
	5.1. Disseminate BCP throughout the cooperative and enable employees to determine their own roles and responsibilities before, during, and after any business disruptions	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	<b>100,000.00</b>
	5.2. Provide BCP Manual to all employees and members of the Board and conduct internal trainings						
Audit	6. Conduct of actual audit procedures based on the approved Audit Program		420,000.00	490,000.00	560,000.00	630,000.00	<b>2,100,000.00</b>
	Attend trainings to strengthen and enhance the capabilities of the Audit Team members		200,000.00	200,000.00	200,000.00	200,000.00	<b>800,000.00</b>
Business and Product Development	Benchmarking	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	<b>250,000.00</b>
	Competitor Analysis						
	Certification of Actuarial Consultant	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	<b>750,000.00</b>
	Submission to IC for approval and payment	65,650.00	65,650.00	65,650.00	65,650.00	65,650.00	<b>328,250.00</b>
Research & Development	1.2A. Field research (e.g., coop visitations including flight budget)		500,000.00	500,000.00	500,000.00	500,000.00	<b>2,000,000.00</b>
	1.2B. Contingency		200,000.00	200,000.00	200,000.00	200,000.00	<b>800,000.00</b>
	1.2C. Research materials (e.g. printed copies of surveys)		200,000.00	200,000.00	200,000.00	200,000.00	<b>800,000.00</b>
	1.3A. Budget for tools and platforms (e.g. survey platforms)		300,000.00	300,000.00	300,000.00	300,000.00	<b>1,200,000.00</b>
	1.3B. Data analysis package (i.e., SPSS)		250,000.00	250,000.00	250,000.00	250,000.00	<b>1,000,000.00</b>
	1.3C. Premium ZOOM account		10,000.00	10,000.00	10,000.00	10,000.00	<b>40,000.00</b>
1KIN Development	1. Recruitment campaign and selection for RAMs						<b>200,000.00</b>
	1.a One RAM for R4B	50,000.00					
	1.b One RAM for NCR	50,000.00					
	1.c One RAM for R9		50,000.00				
	1.c One RAM for CAR			50,000.00			
	2. Nationwide Recruitment campaign for MCs	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	<b>250,000.00</b>
	3. Orientation seminars of accepted agent applicants (by batches depending on start dates)	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00	<b>2,500,000.00</b>
	4. Conduct training and accreditation of new FAs/MCs (quarterly offerings)	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	<b>750,000.00</b>
	5. 1KIN semi-annual assessment/evaluation and improvements planning			100,000.00	100,000.00	100,000.00	<b>300,000.00</b>

	6. 1KIN Incentive Awarding		500,000.00	500,000.00	500,000.00	500,000.00	<b>2,000,000.00</b>
	7. Training of 1KIN Trainers for RAMS/FAs	300,000.00					<b>300,000.00</b>
	8. Assessment of 1KIN Partner Coops' levels of functioning		100,000.00	100,000.00	100,000.00	100,000.00	<b>400,000.00</b>
	9. Implementation for enhancement module for level 1 Coops (by batches)		300,000.00	300,000.00	300,000.00	300,000.00	<b>1,200,000.00</b>
	10. Implementation for enhancement module for level 2 Coops (by batches)		300,000.00	300,000.00	300,000.00	300,000.00	<b>1,200,000.00</b>
	11. Implementation for enhancement module for level 3 Coops (by batches)		300,000.00	300,000.00	300,000.00	300,000.00	<b>1,200,000.00</b>
Investment	1.) Engaging & dividing investment into 3 Categories (honorarium & miscellaneous exp (plane, accommodation & meals)	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	<b>1,000,000.00</b>
	2.) Create & develop new investment facilities (honorarium & miscellaneous exp (plane, accommodation & meals)	200,000.00	200,000.00	200,000.00	200,000.00		<b>800,000.00</b>
	Final review and approval of BOD credit assistance via coop bank (Miscellaneous Expense (Notarial, Courriers fee, Printing, Etc.)	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	<b>150,000.00</b>
	Computer/Laptop of new personnel	60,000.00					<b>60,000.00</b>
	2.) Look for expert investment adviser per facility (professional fee)	120,000.00	120,000.00	120,000.00			<b>360,000.00</b>
	3.) Intense training for investment team (training/ workshop fee)	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	<b>500,000.00</b>
	4.) Training & seminar in investment, market trend, compliance such as new CL & CIC and tax implications for Investment & Credit Committee (training/seminar fee)	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	<b>500,000.00</b>
HR	To invest on the capability development of employees/sales and marketing personnel to further expand their knowledge.	8,730,000.00	9,166,500.00	9,624,825.00	10,106,066.25	10,611,369.56	<b>48,238,760.81</b>
	To establish a good company culture so employees/sales personnel are motivated and focused.	4,185,000.00	4,394,250.00	4,613,962.50	4,844,660.63	5,086,893.66	<b>23,124,766.78</b>
Legal & Compliance	To develop a Legal and Compliance system accessible to every employee for monitoring of compliances, serving as well as a data base of 1CISP Legal documents and documentary requirements	100,000.00					<b>100,000.00</b>
	Conduct compliance reviews and regulatory mapping	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	<b>150,000.00</b>
	Annotate all land titles acquired by employees through loan benefit	100,000.00	50,000.00	50,000.00	50,000.00	50,000.00	<b>300,000.00</b>
	Annotate all ORCRs of cars acquired by employees through loan benefit	50,000.00	25,000.00	25,000.00	25,000.00	25,000.00	<b>150,000.00</b>
	Conduct training for applicable laws to 1CISP: RA 9520						<b>0.00</b>
	Conduct training for applicable laws to 1CISP: Insurance Code						<b>0.00</b>



	Conduct training for applicable laws to 1CISP: NIRC						0.00
	Conduct training for applicable laws to 1CISP: Labor Code						0.00
	Conduct training for applicable laws to 1CISP: Other applicable laws						0.00
	Distribute handbooks and other materials to increase awareness (e.g. Summary of issued circular letters, code of conduct)	100,000.00		100,000.00		100,000.00	300,000.00
IT	1. Submit the proposed design layout for the new website	5,307.50	5,307.50	5,307.50	5,307.50	5,307.50	26,537.50
	2. Development of the new website	9,813.96	9,813.96	9,813.96	9,813.96	9,813.96	49,069.80
	1. Scope the project	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	250,000.00
Sales Development	Increase awareness for the kinds of 1CISP membership and the advantages	600,000.00		600,000.00		600,000.00	1,800,000.00

**CONSOLIDATED BUDGET**  
**PHP 348,123,634.89**

ANNUAL TOTAL	2021	2022	2023	2024	2025	TOTAL
	77,989,021.46	50,924,771.46	82,672,808.96	52,484,748.34	84,052,284.68	348,123,634.89
<b>DISTRIBUTION:</b>						
OPERATION	2,905,771.46	5,825,771.46	6,245,771.46	5,995,771.46	6,165,771.46	27138857.3
CAPEX	60,260,000.00	30,050,000.00	60,100,000.00	30,050,000.00	60,100,000.00	240560000
CETF	14,805,000.00	15,030,750.00	16,308,787.50	16,420,726.88	17,768,263.22	80333527.59
CDF	18,250.00	18,250.00	18,250.00	18,250.00	18,250.00	91250
OPTIONAL FUND	0	0	0	0	0	0
TOTAL	77,989,021.46	50,924,771.46	82,672,808.96	52,484,748.34	84,052,284.68	348,123,634.89

*\*Note: The Strat Plan budget for 2021 will be added to the budget submitted in October 2020 by all departments. Moreover, the Strat Plan budget for 2022-2025 will be added to the budget that accounting will be collecting from all departments in 2022-2025. Finally, this budget excludes the figures from the separate Strat Plan budget submitted by HR to Accounting directly (contains confidential figures such as employee salaries and the like)*

# PAID-IN CAPITAL OF THE COOPERATIVES REPRESENTED BY BOARD OF DIRECTORS

NAME	POSITION	COOPERATIVE REPRESENTED	Shares Held	Type	%
Rev. Fr. Anton C.T. Pascual	Chairperson	Simbayanan ni Maria Multipurpose Cooperative	38,365,593.10	Common	2.09487%
Mr. Isagani B. Daba	Vice Chairperson	First Community Cooperative	616,832,266.85	Common	33.68071%
Mr. Roberto C. Mascariña	Director	Barangka Credit Cooperative	15,100,000.00	Common	0.82450%
B/Gen. Lorenzo R. Sumicad, AFP (Ret)	Director	ACDI Multipurpose Cooperative	497,379,068.78	Common	27.15824%
Mr. Nestor D. Ortigoza	Director	King Multipurpose Cooperative	1,911,926.90	Common	0.10440%
Engr. Raymond Joseph L. Salvador	Director	San Dionisio Credit Cooperative	26,093,227.54	Common	1.42476%
Mr. George J. Pupa	Director	USPD Savings & Credit Cooperative	4,314,689.50	Common	0.23559%
Engr. Armen A. Cuenca, MPA	Independent Director	City Hall Employees Credit Cooperative	1,090,874.31	Common	0.05956%
Ms. Mariou R. Almario	Independent Director	Iwahori Multipurpose Cooperative	838,402.43	Common	0.04578%

# COST OF GOVERNANCE

## COST OF GOVERNANCE

ASSETS FOR THREE SUCCEEDING CALENDAR PERIODS		
2018	2019	2020
2,565,089,131.00	3,267,245,942.00	3,603,744,833.00

LIABILITIES FOR THREE SUCCEEDING CALENDAR PERIODS		
2018	2019	2020
858,792,731.00	1,431,997,838.00	1,423,486,453.00

MEMBERS EQUITY FOR THREE SUCCEEDING CALENDAR PERIODS		
2018	2019	2020
1,706,296,400.00	1,835,248,104.00	2,180,258,380.00

PAID-UP CAPITAL & DEPOSIT FOR ADDITIONAL SUBSCRIPTION FOR THREE SUCCEEDING CALENDAR PERIODS		
2018	2019	2020
1,550,635,066.00	1,646,168,400.00	1,839,833,000.00

NET SURPLUS FOR THREE SUCCEEDING CALENDAR PERIODS		
2018	2019	2020
216,078,247.00	286,910,213.00	294,121,740.00

DIVIDEND RATE FOR THREE SUCCEEDING CALENDAR PERIODS		
2018	2019	2020
12%	10%	8%

# COST OF GOVERNANCE

## EXPERIENCE AND PATRONAGE REFUND RATE FOR THREE SUCCEEDING CALENDAR PERIODS

2018	2019	2020
7.19%	6.66%	6.89%

## BOARD OF DIRECTORS HONORARIUM FOR THREE SUCCEEDING CALENDAR PERIODS (in Aggregate Amount)

2018	2019	2020
2,658,203.00	3,002,619.00	(Previous Board) 2,854,036.81
		(New Board) 881,250.35

## AUDIT AND INVENTORY COMMITTEE HONORARIUM FOR THREE SUCCEEDING CALENDAR PERIODS

2018	2019	2020
211,953.00	304,568.00	508,186.42

## ELECTION COMMITTEE HONORARIUM FOR THREE SUCCEEDING CALENDAR PERIODS

2018	2019	2020
176,453.00	237,568.00	460,686.42

## EXTERNAL AUDIT FEE FOR THREE SUCCEEDING CALENDAR PERIODS

2018	2019	2020
750,000.00	950,000.00	895,000.00

# BOARD MEETING HELD AND ATTENDED BY THE DIRECTORS

## BOARD MEETINGS HELD AND ATTENDED BY THE DIRECTORS FOR THE YEAR 2020

Prior to the 46<sup>th</sup> Annual General Assembly, Board Meetings were held on: Jan 22, Feb 26, Mar 31, Apr 07, May 07, Jun 04, Jun 25, Jul 09, Jul 17 and Jul 23, 2020.

Name of Director	Position	Attendance
1.BGen. Teodoro P. Evangelista (Ret)	Chairperson	10
2.Ms. Imelda S. Magabilen	Vice-Chairperson	6
3.Mr. Benjamin T. Que	Director	10
4.Mr. Senen C. Bacani	Director	10
5.Fr. Anton CT. Pascual	Director	7
6.Mr. Nestor D. Ortigoza	Director	10
7.Engr. Raymond Joseph L. Salvador	Director	10
8.Engr. Armen A. Cuenca, MPA	Independent Director	10
9.Ms. Marilou R. Almario	Independent Director	10

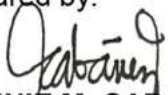
The Board of Directors subsequent to the 46<sup>th</sup> Annual General Assembly/Election of Officers on July 25, 2020. Board Meetings were held on: Jul 30, Aug 27, Sep 24, Oct 22, Nov 26 and Dec 29, 2020.

Name of Director	Position	Attendance
1. Fr. Anton CT. Pascual	Chairperson	6
2. Mr. Isagani B. Daba	Vice-Chairperson	6
3. BGen. Lorenzo R. Sumicad (Ret)	Director	6
4. Mr. Roberto C. Mascariña	Director	6
5. Mr. George J. Pupa	Director	6
6. Mr. Nestor D. Ortigoza	Director	6
7. Engr. Raymond Joseph L. Salvador	Director	6
8. Engr. Armen A. Cuenca, MPA	Independent Director	6
9. Ms. Marilou R. Almario	Independent Director	6

**AUDIT AND INVENTORY COMMITTEE  
ACTIVITY REPORT FOR THE YEAR 2020**

<b>MEETINGS CONDUCTED FOR THE YEAR 2020</b>		
<b>Date of Audit (Prior to the 46<sup>th</sup> Annual GA)</b>	<b>Present</b>	<b>Absent</b>
January 29, 2020	Wilma L. Gidaya (Chairperson) Marites M. Bartolome (Secretary) Joel L. Canuel (Member)	None
February 21, 2020	Wilma L. Gidaya (Chairperson) Joel L. Canuel (Member)	Marites M. Bartolome (Secretary)
<b>Date of Audit (Prior to the 46<sup>th</sup> Annual GA)</b>	<b>Present</b>	<b>Absent</b>
September 24, 2020	Wilma L. Gidaya (Chairperson) Marites M. Bartolome (Secretary) Jaysan Ray N. Chee (Member)	None
October 16, 2020	Wilma L. Gidaya (Chairperson) Marites M. Bartolome (Secretary) Jaysan Ray N. Chee (Member)	None
November 24, 2020	Wilma L. Gidaya (Chairperson) Marites M. Bartolome (Secretary) Jaysan Ray N. Chee (Member)	None
December 18, 2020	Wilma L. Gidaya (Chairperson) Marites M. Bartolome (Secretary) Jaysan Ray N. Chee (Member)	None

Prepared by:

  
**QUINNIE M. CABAÑEZ**  
Audit Committee Secretariat

Noted by:

  
**WILMA L. GIDAYA**  
Audit and Inventory Committee Chairperson

  
**MARITES M. BARTOLOME**  
Audit and Inventory Committee Secretary

  
**JAYSAN RAY N. CHEE**  
- Audit and Inventory Committee Member

## MOVIE NIGHT OUT VALENTINE'S EDITION



February 21, 2020

1CISP's Movie Night Out: Valentine's Edition was an activity filled with fun and excitement. Employees were able to participate and enjoy the games and the prizes they've received before the start of the romantic comedy movie entitled "Music & Lyrics".

# RISK MANAGEMENT AND DISASTER PREPAREDNESS: FIRE AND EARTHQUAKE

March 11, 2020

Two of the most common disasters that workplaces may encounter are fire and earthquake, and the kind-hearted personnel of the Bureau of Fire Protection have lent us a helping hand in providing assistance and sharing their knowledge when it comes to being prepared and staying safe in the midst of a disaster





# 1CISP AMIDST COVID-19 PANDEMIC

March 28, 2020

The Caritas Manila Church of the Poor has lent its helping hands to provide support and comfort to the impoverished families (around 5,000) that are living in cemeteries with the "nitso" of the dead remains around them. It was very heartwarming to see them welcome us and hear their words of gratitude upon receiving the simple ayuda that we have prepared for them.





## 46TH ANNUAL GENERAL ASSEMBLY (VIRTUAL)

July 25, 2020

Despite the ongoing pandemic, 1CISP was able to conduct its 46th Annual General Assembly virtually with the help of our advancing technology, particularly the video conferencing platform, Zoom.

# SAFETY PROTOCOLS AT WORK (IN PARTNERSHIP WITH WATER.ORG)



June 2, 2020

In partnership with Water.org, the webinar taught us ways to establish safety protocols at work and learn about the equipment/materials used in making such protocols possible. The employees of 1CISP will be needing such information now that they have started to report to the office again during the General Community Quarantine period.

# MENTAL HEALTH AWARENESS WEBINAR



**1 C I S P**

September 10, 2020

presents this webinar on

The Psychology of Pandemics:  
Taking Care of our Mental  
Health During COVID-19



September 10, 2020



Dr. Ryan B. Coroña, RPsy, Rpm, RGC, LPT

Someone you know has  
a mental health problem.  
They just don't know

The said webinar has educated us on how to relieve stress, considering that heightened stress can trigger anxiety. Relaxation tips and activities that increase awareness on the self and others were shared. After the webinar, the employees were happy that they have learned a great deal about mental health.



Kahit na ako'y nakararanas ng Stress ngayon, tanggap ko ang aking saili

Repeat 3x per body part

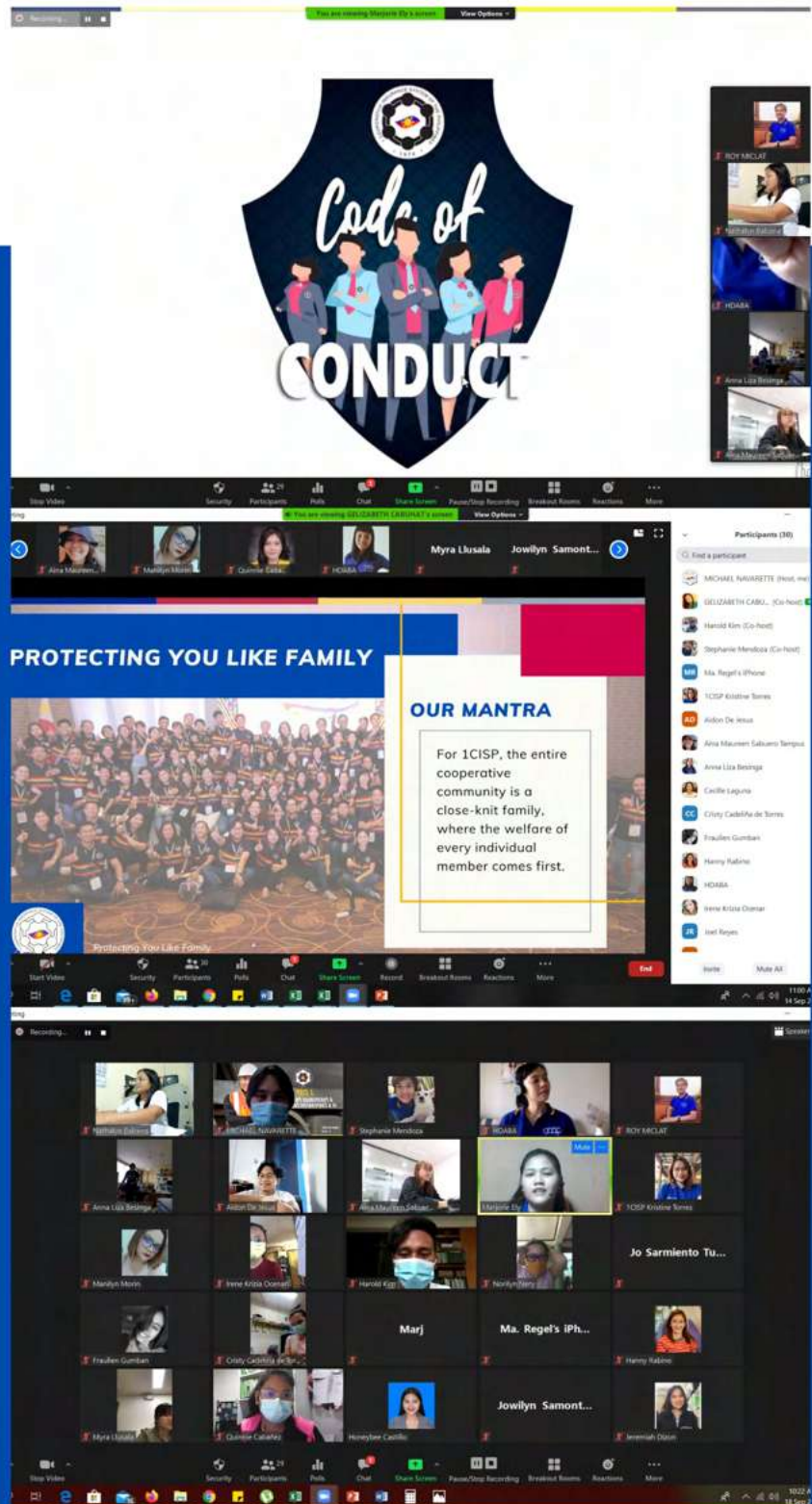
**EFT Tapping Points on the Body**

TAPPING FOR RELAXATION

# HR ORIENTATION

September 14, 16, 18, 21, 23, 25, 2020

Every year, 1CISP conducts an HR orientation for the employees to not only to refresh their knowledge about the organization, but to promote employee engagement as well. However, the ongoing COVID-19 Pandemic has made last year's HR orientation different from the ones that were previously conducted, as the said activity was done virtually, where all employees were able to participate while at home.



# PAINTING CONTEST

October 1 to 28, 2020

This year, 1CISP has initiated a painting contest that aimed to engage employees in a creative exercise that would allow them to express themselves and reveal their artistic potential.

The contest's theme was "Malasakit of Filipinos in Times of Need", and three employees who were very eager to showcase their talents have participated in the said contest.

1



TITLE: BRGY. COOP

*This picture shows two action. The first act is a family of farmers helping each other to get through poverty. I believed that if a family that helps each other they will stay forever. Next picture shows "cooperativism" called bayanihan, the old tradition of Filipinos helping their neighbors relocating. Bayanihan is also a symbol of community unity.*

2



TITLE: "TULAK"

*The title of the painting was simply name "push" because this word have different meaning and one of it is to help and support each other. I chose to portray this act because Filipinos are naturally helpful to others especially to those who are in need even though they didn't know each other yet. Looking at the painting, we can easily see how everybody are willing to lend their hands. I also added a natural scenery because it made me feel relax and reminded me of travelling from different places especially on provinces.*

3



TITLE: RAIN OF KINDNESS

*"As the impact of the pandemic starts to be felt more acutely, and outbreak (COVID-19) has taken a lot of us by surprise, kindness and compassion have never been more important. This artwork is special, it portrays our reasons to be here-to be compassionate to others that gives us the courage and wisdom to help, to be kind and supportive to our fellowmen. Whatever amount of kindness we give makes a huge difference to those who are greatly affected by this pandemic, let us show them the love, give them hope, and make their world as big and colorful as this painting. We have to act as their lighthouses to brighten and put off from the dark. Let's spread positivity amid COVID-19. Agyaman!"*

# DATA PRIVACY & PROTECTION WEBINAR

October 7, 2020

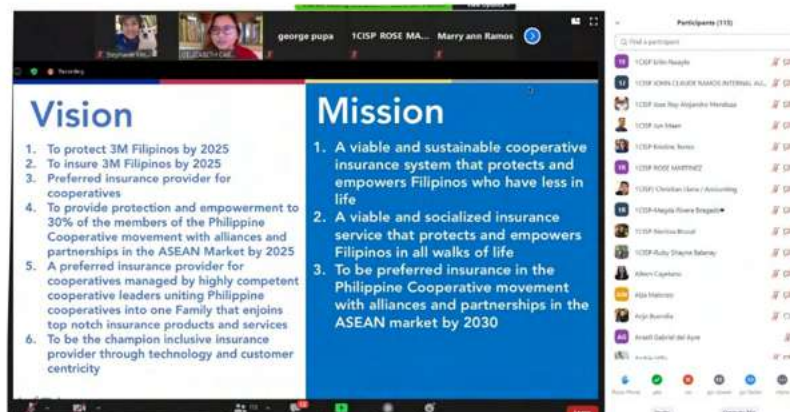
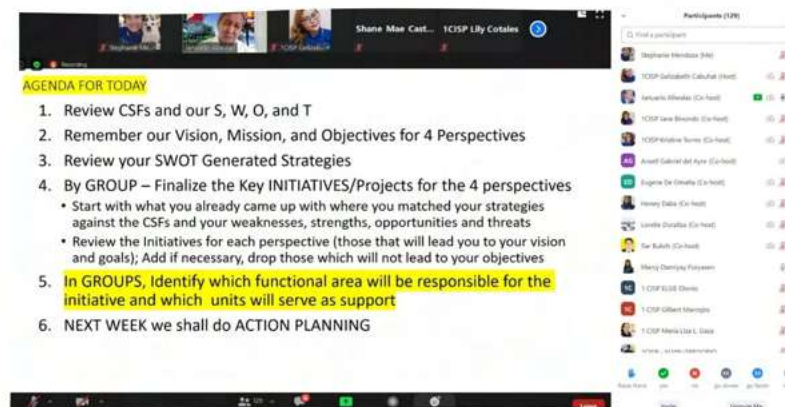
This webinar, which was facilitated by Atty. Jay Castillo, aimed to educate the employees on the basics of Data Privacy as well as how to handle and store data safely. Current trends and tips were also provided as additional information to employees who have raised their concerns and questions about the topic.



# 1CISP @ 50: TECHNOLOGY AND TRANSFORMATION IN THE NEW NORMAL

October 8, 14, 21, 28;  
November 4, 11, 2020

The adverse effect of the pandemic on our organization calls for the reassessment of our goals and strategies as a cooperative, and therefore, revision to the previously established 5-year plan. The ZOOM Lecture Meeting has discussed the strategic planning process and the Balanced Scorecard Framework.






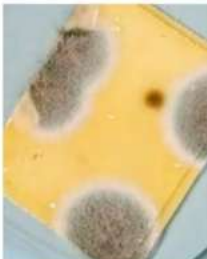
# HEALTHY EATING AND LIFESTYLE SEMINAR (HEALS)

Zoom Meeting You are viewing BEATRICE JOY C. FUERTES' screen View Options

Stephanie Me... Cecille M. Lag... BEATRICE JOY C. Joel Reyes MICHAEL NA...

## Milk and dairy products

- Has off-odors (tangy, rotten odor)
- Has sediments and its mixture is already curdled
- Moldy
- Air bubbles are present upon opening
- Bloated packaging



Participants (107)

Find a participant

- Stephanie Mendoza (Co-host, me)
- MICHAEL NAVARETTE (Host)
- BEATRICE JOY C. FUERTES (Co-host)
- Harold Kim (Co-host)
- Marj ely (Co-host)
- 1CISP Elsie Dionio
- 1CISP Chinky Lyn D. Victoria
- 1CISP Honey Daba
- 1CISP Jose Roy Alejandro Mendoza
- 1CISP Kristine Torres
- 1CISP/Sylvia Quinesio
- 1CISP-Magda Rivera Bragado
- 1CISP-Nerissa Brucal
- 1CISP-R12/ MAR DELA CRUZ
- Andres MDC River Dala Cruz

Inmute Start Video Security Participants 107 Chat Share Screen Record Reactions Leave

yes no go slower go faster more clear all Invite Mute All

December 18, 2020

This webinar, facilitated by Ms. Beatrice Joy Fuentes, educated the employees and sales personnel on the various healthy eating habits, as well as on how to improve an individual's current lifestyle, as having a healthy diet can help prevent diseases. Furthermore, food choices can affect one's mental health as well. Moreover, descriptions of healthy and edible food were provided to make sure that one's food consumption does not have a negative effect on the body

# BOARD OF DIRECTORS

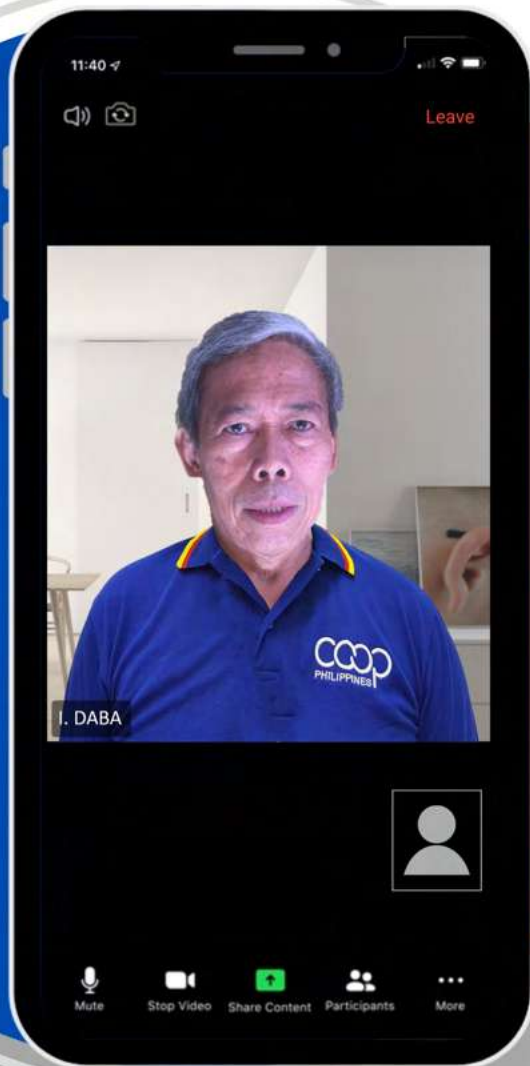


1CISP CHAIRPERSON

**REV. FR. ANTON CECILIO T. PASCUAL**

Simbayanan ni Maria Multipurpose Cooperative





1CISP VICE CHAIRPERSON  
**ISAGANI B. DABA**  
First Community Cooperative

1CISP DIRECTOR  
**BGEN. LORENZO R. SUMICAD**  
**AFP (RET)**  
ACDI Multipurpose Cooperative





1CISP DIRECTOR  
**ROBERTO C. MASCARINA**  
Barangka Credit Cooperative

1CISP DIRECTOR  
**GEORGE J. PUPA**  
USPD Savings and Credit Cooperative





1CISP DIRECTOR  
**NESTOR D. ORTIGOZA**  
King Multi-Purpose Cooperative

1CISP DIRECTOR  
**ENGR. RAYMOND JOSEPH L. SALVADOR**  
San Dionisio Credit Cooperative





1CISP INDEPENDENT DIRECTOR  
**ENGR. ARMEN A. CUENCA, MPA**  
City Hall Employees Multipurpose Cooperative

1CISP INDEPENDENT DIRECTOR  
**MARILOU R. ALMARIO**  
Iwahori Multipurpose Cooperative



# CO-OPERATIVE OFFICERS

1CISP TREASURER

**LEONILA R. MEDINA**

Sacred Heart Parish Development Cooperative



1CISP CO-OPERATIVE SECRETARY  
**ATTY. LYMAN A. MANZANARES**



# LIST OF COMMITTEES

## 2020 BOARD COMMITTEE MEMBERSHIP

### EXECUTIVE COMMITTEE

1. Fr. Anton CT. Pascual, Chairperson
  2. Mr. Isagani B. Daba, Vice Chairperson
  3. BGen. Lorenzo R. Sumicad AFP (Ret), Director
  4. Mr. Roberto C. Mascarina, Director
  5. Engr. Armen A. Cuenca MPA, Ind. Director
  6. Ms. Leonila R. Medina, Treasurer
- Secretariat:  
Ms. Anna Marin Crisolo, MIS Head/Board Secretariat

### INVESTMENT & CREDIT COMMITTEE

1. Mr. Isagani B. Daba, Vice Chairperson
  2. Engr. Raymond Joseph L. Salvador, Director
  3. Mr. George J. Pupa, Director
  4. BGen. Lorenzo R. Sumicad AFP (Ret), Director
  5. Engr. Armen A. Cuenca MPA, Ind. Director
  6. Ms. Leonila R. Medina, Treasurer
  7. Mr. Senen C. Bacani, Ex-Officio
- Secretariat:  
Mr. Jeric C. Pangan, Investment Head

### GOVERNANCE COMMITTEE

1. Fr. Anton CT. Pascual, Chairperson
  2. Ms. Marilou R. Almario, Ind. Director
  3. Engr. Armen A. Cuenca MPA, Ind. Director
  4. Engr. Raymond Joseph L. Salvador, Director
  5. Mr. Nestor D. Ortigoza, Director
  6. Atty. Lyman A. Manzanares, Coop Secretary
- Secretariat:  
Ms. Anna Marin Crisolo, MIS Head/Board Secretariat

### EDUCATION & MEMBERSHIP COMMITTEE

1. Mr. Isagani B. Daba, Vice Chairperson
  2. Mr. Nestor D. Ortigoza, Director
  3. Engr. Raymond Joseph L. Salvador, Director
- Secretariat:  
Ms. Marjorie L. Ely, HR Business Partner

### RELATED PARTY TRANSACTIONS COMMITTEE

1. Engr. Raymond Joseph L. Salvador, Director
  2. Engr. Armen A. Cuenca MPA, Ind. Director
  3. Ms. Marilou R. Almario, Ind. Director
- Secretariat:  
Ms. Sarah Mae C. Buksh, Legal & Compliance Supervisor

### RISK MANAGEMENT COMMITTEE

1. Mr. Isagani B. Daba, Vice Chairperson
  2. Engr. Armen A. Cuenca MPA, Ind. Director
  3. Ms. Marilou R. Almario, Ind. Director
- Secretariat:  
Ms. Aiza Malonzo, VP for Admin & Finance

### PERSONNEL & REMUNERATION COMMITTEE

1. Mr. Nestor D. Ortigoza, Director
  2. Mr. Roberto C. Mascarina, Director
  3. Ms. Marilou R. Almario, Ind. Director
  4. Ms. Leonila R. Medina, Treasurer
- Secretariat:  
Mr. Michael R. Navarette, HR/OD Head

### MERGER & CONSOLIDATION COMMITTEE

1. Fr. Anton CT. Pascual, Chairperson
  2. Mr. Isagani B. Daba, Vice Chairperson
  3. BGen. Lorenzo R. Sumicad AFP (Ret), Director
  4. Mr. Roy S. Miclat, President & CEO
  5. Mr. Senen C. Bacani, Ex-Officio
- Secretariat:  
Ms. Gelizabeth DT Cabuhut, Marketing Dev't. Specialist

### OVERSIGHT COMMITTEE

1. Engr. Raymond Joseph L. Salvador, Director
  2. Ms. Leonila R. Medina, Treasurer
  3. Mr. Roy S. Miclat, President & CEO
- Secretariat:  
Ms. Marjorie L. Ely, HR Business Partner

## ELECTED COMMITTEES

### AUDIT COMMITTEE

1. Wilma D. Gidaya (IMCPDC)
  2. Marites M. Bartolome (MPMDC)
  3. Jaysan Ray N. Chee (XUCCCO)
- Secretariat:  
Quinnie Cabanez, Internal Audit

### ELECTION COMMITTEE

1. Danilo M. Capili (PPA MPC)
  2. Frederico A. Blanco (SFGEMPC)
  3. Jerson S. Remo (SMPC)
- Secretariat:  
Ansell Del Ayre, IT Head



## APPOINTED COMMITTEES

### ETHICS COMMITTEE

1. Madeline A. Lagazo (CGMPC)
  2. Bgen. William P. Turalde Afp (Ret) (KKMPC)
  3. Mgen. Isagani P. Silva (Ret) (ACCC)
- Secretariat:  
Glady Jean De Vera, Underwriting Head

### MEDIATION & CONCILIATION COMMITTEE

1. Antonio LI. Sayo (ABCDF)
  2. Atty. Raul V. Macatangay (BFPMP)
  3. Jocelyn P. Rivera (KBPMPC)
- Secretariat:  
Michael Navarette, HR/OD Head

### GENDER & DEVELOPMENT COMMITTEE

1. Dr. Jovita V. Mateo (SJDMSCC)
  2. Gemma D. Pena (MDC)
  3. Genara N. Desacula (CHMF)
- Secretariat:  
Harold Kim Maggay, HR Business Partner



# SENIOR MANAGEMENT

## ROY S. MICLAT

1CISP PRESIDENT/  
CHIEF EXECUTIVE OFFICER



## CECILIA M. LAGUNA

1CISP EXECUTIVE VICE PRESIDENT  
AND CHIEF OPERATING OFFICER





**AIZA G. MALONZO, CPA, FLMI**

**1CISP VICE PRESIDENT FOR ADMIN AND FINANCE**

**SYLVIA R. QUINESIO**

**1CISP VICE PRESIDENT FOR SALES AND MARKETING**





**JACKELYN P. BALLENA, FLMI,  
CTRS**

**VICE PRESIDENT FOR OPERATIONS (LIFE)**

**ARMANDO DL. GUTIERREZ, JR.**

**VICE PRESIDENT FOR OPERATIONS  
(NON-LIFE)**



# EMPLOYEES



## ACCOUNTING DEPARTMENT

**RENE MANTILLA**  
Junior Accountant

**RONALD BUENDIA**  
Accounting Analyst

**MARY ANN ALDE**  
Accounting Head

**CHRISTIAN LLANA**  
Accounting Analyst

**MARY MAE ODULIO**  
Accounting Analyst

**JOBEE LOU TROGON**  
Accounting Analyst

**ARCHIE VILLA**  
Accounting Analyst



## TREASURY AND INVESTMENT DEPARTMENT

**JONEL GADILLA**  
Treasury Head

**MA. REGEL AGOOT**  
Cash Assistant

**JEREINA MAE MAGSOMBOL**  
Cash Assistant

**MANILYN SANTIANO**  
Cash Assistant

**JERIC PAÑGAN**  
Investment Head

**PAULINE MAGLONZO**  
Cash Assistant



## ADMIN & GENERAL SERVICES DEPARTMENT

**RANDY BAROT**  
Admin and Gen. Services  
Assistant

**JULITO ELLA**  
Messenger

**JOEL FULACHE**  
Admin and Gen. Services Head

**KRIZZA MAE GUNABE**  
Asset Management Specialist

**ISAGANI MAGNO**  
Admin and Gen. Services  
Assistant

**JOSEPH MIGUEL**  
Receiving Clerk

**ROBERT JAMES URBANO**  
Purchasing Assistant



## UNDERWRITING DEPARTMENT (LIFE)

**ZEYCHELLE ANNE MARIE  
ABERGOS**  
Underwriting Analyst (Life)

**EDWIN BUENA**  
Underwriting Analyst (Life)

**GLADY JEAN DE VERA**  
Underwriting Head (Life)

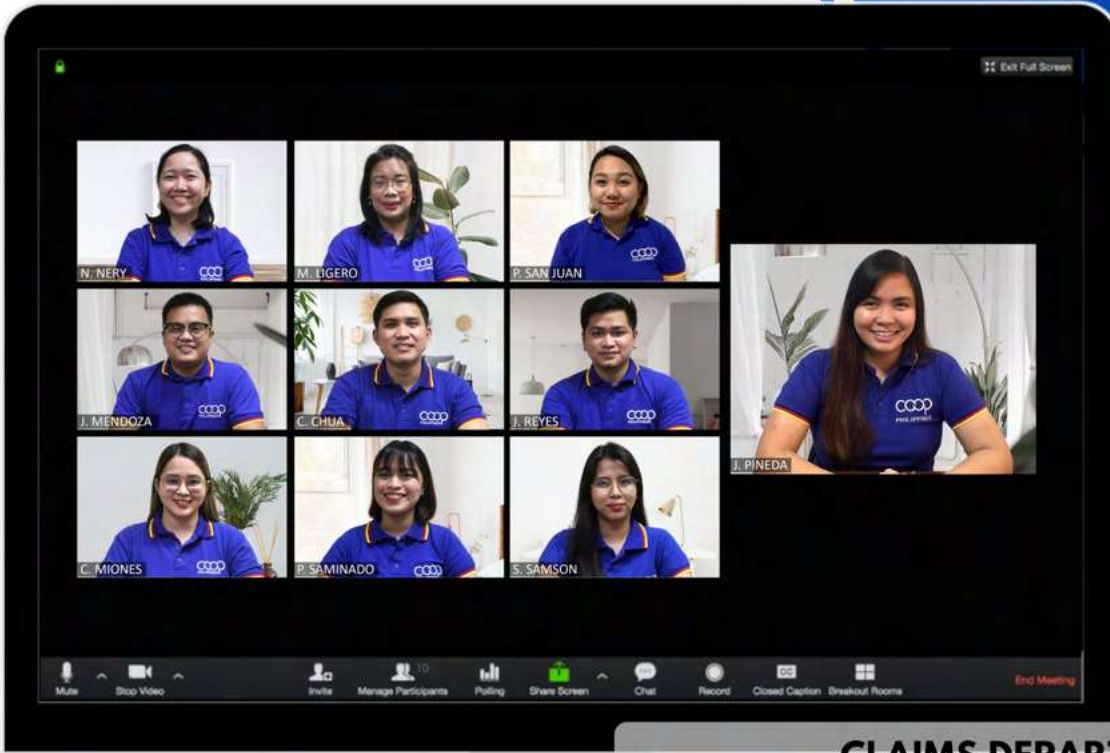
**JOANNA MAE CRUZ**  
Underwriting Supervisor (Life)

**MARRY ANN RAMOS**  
Underwriting Analyst (Life)

**SHANE MAE NOVALES**  
Underwriting Analyst (Life)

**IRENE KRIZIA OCENAR**  
Underwriting Analyst (Life)

**HANNY RABINO**  
Underwriting Analyst (Life)



## CLAIMS DEPARTMENT (LIFE)

**CHRISTINE MIONES**  
Claims Analyst (Life)

**NORILYN NERY**  
Claims Analyst (Life)

**JOEL REYES**  
Claims Analyst (Life)

**DONNA JADE JUSTINE PINEDA**  
Claims Supervisor (Life)

**CARL JOSHUA CHUA**  
Claims Analyst (Life)

**MIRMA LIGERO**  
Claims Analyst (Life)

**JOSE ROY ALEJANDRO MENDOZA**  
Claims Analyst (Life)

**PATRICIA MAE SAMINADO**  
Claims Analyst (Life)

**SHAIRA ANN SAMSON**  
Claims Analyst (Life)

**PAMELA DENISE SAN JUAN**  
Claims Analyst (Life)



## OPERATIONS DIVISION (NON-LIFE)

**EUGENE DE OMAÑA**  
Underwriting Manager (Non-Life)

**JEREMIAH DIZON**  
Underwriting Analyst (Non-Life)

**MARY JESSANIE JAMERA**  
Underwriting Analyst (Non-Life)

**LIZA QUIMORA**  
Underwriting Analyst (Non-Life)

**ARNOLD JOSEPH TECSON**  
Underwriting Analyst (Non-Life)

**JOSEPHINE TUMALIUAN**  
Underwriting Analyst (Non-Life)

**ALVIN GREGORIO**  
Claims Supervisor (Non-Life)

**JAYSON MARQUEZ**  
Claims Evaluator (Non-Life)

**PATRICIA TERESE SAGA**  
Claims Analyst (Non-Life)



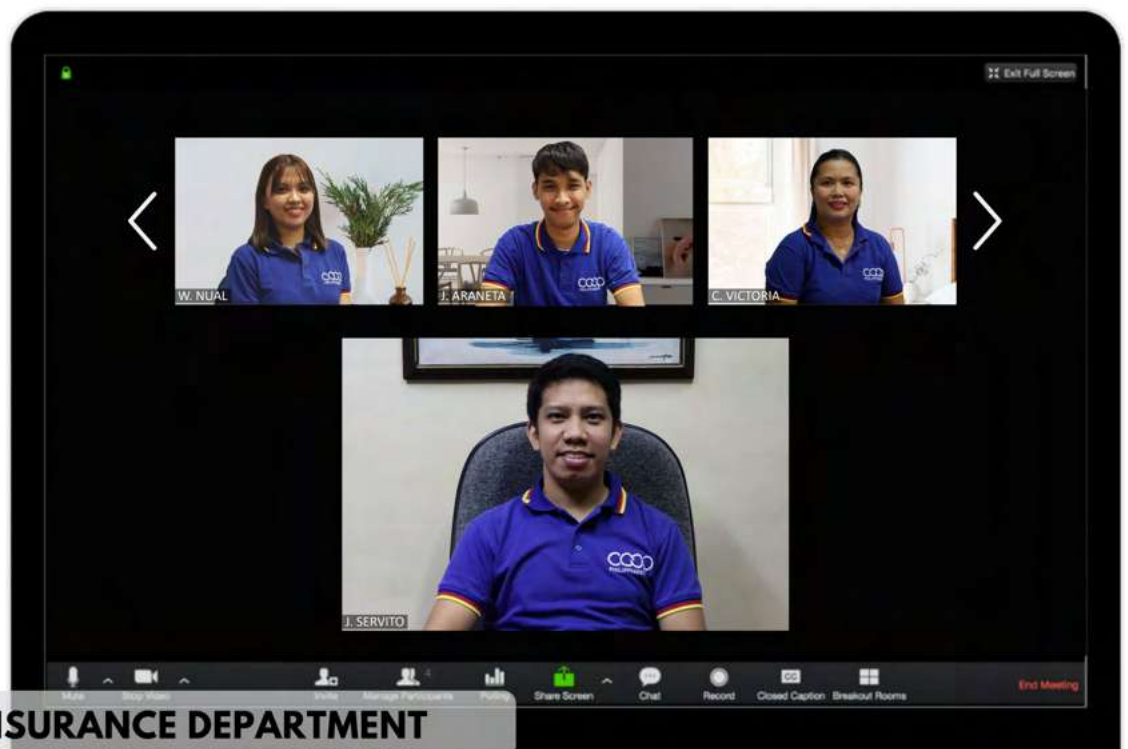
## HUMAN RESOURCES DEPARTMENT

**MARJORIE ELY**  
HR Business Partner

**MICHAEL NAVARETTE**  
HR/OD Head

**HAROLD KIM MAGGAY**  
HR Business Partner

**STEPHANIE GRACE MENDOZA**  
HR Business Partner



## ACTUARIAL & REINSURANCE DEPARTMENT

**WENDY NUAL**  
Actuarial Specialist (Life)

**JOYCE SERVITO**  
Actuarial & Reinsurance Head  
**JEREMIAH ARANETA**  
Reinsurance Assistant (Life)

**CHINKY LYN VICTORIA**  
Actuarial Specialist (Non-Life)



## IT, INTERNAL AUDIT, AND LEGAL & COMPLIANCE DEPARTMENTS

**ANSELL GABRIEL DEL AYRE**  
IT Head

**JAYSON REGALARIO**  
IT Assistant

**MARY ROSE GUEVARA**  
Graphic Designer

**QUINNIE CABAÑEZ**  
Internal Auditor

**AILEEN CAYETANO**  
Internal Auditor

**JOHN CLAUDE RAMOS**  
Internal Auditor

**SARAH MAE BUKSH**  
Legal and Compliance  
Supervisor

**AIDON DE JESUS**  
Compliance Specialist



## MIS DEPARTMENT

**ANNA MARIN CRISOLO**  
MIS Head

**PRINCESS ELLA PELAGIO**  
Encoder

**IVY RAÑO**  
Encoder

**ROBERT ESPERANZA**  
Encoder

**KEN RYAD BERIN**  
Encoder

**ARON JAMES DADULA**  
Encoder





## CAGAYAN DE ORO BRANCH

### IRENEA MEGUILLO

Branch Head

### LORENZO SAMUYA

Non-Life Insurance In-charged

### JHUN CARL ABARQUEZ

Underwriting Analyst (Life)

### CHARMENE ABRAGAN

Claims Evaluator (Non-Life)

### RENEL AQUINO

Claims Evaluator (Non-Life)

### DONNA MARIE ARNAN

Cash Assistant

### NOVEFE CABALDA

Accounting Analyst

### KYLE ROD DE LEON

Claims Analyst (Life)

### IRISH DE RAMOS

Underwriting Analyst (Life)

### KARL MICHAEL ESTRELLA

IT/MIS Assistant

### JEANNY FABELA

Underwriting Analyst (Non-Life)

### CRESELYN GROTE

Claims Analyst (Life)

### MINNIE MARIE LAURETA

Admin & Gen. Services Assistant

### MYRA LOU LLUSALA

Claims Analyst (Life)

### CHERRIE MAE MERTO

Cash Assistant

### EDELYN MIANO

Non-Life Insurance Assistant

### KRISTINE ROWAYNE OJAS

Underwriting Analyst (Life)

### JOEPIT PARADILLO

Claims Evaluator (Non-Life)

### ELLAINE MAE SARBIDA

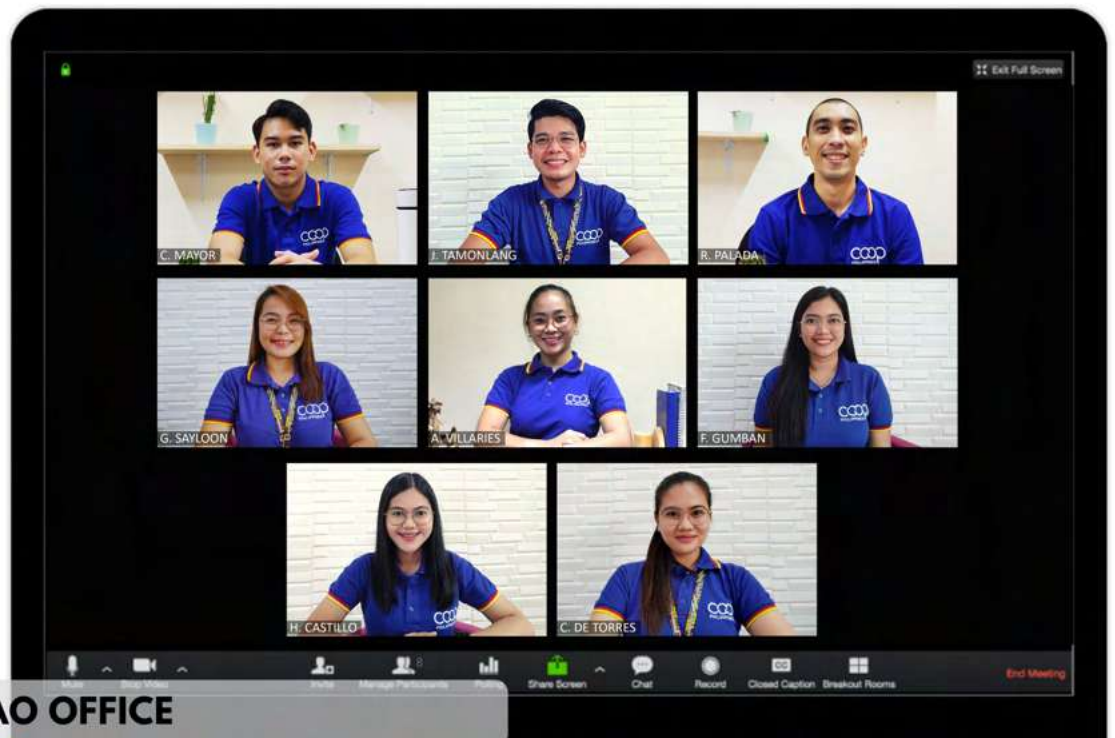
Encoder

### JESSA SUAFFIELD

Accounting Analyst

### AINA MAUREEN TAMPUS

Customer Service Associate



## DAVAO OFFICE

**ANALOU VILLARIES**  
Officer in Charge - Davao

**HONEYBEE CASTILLO**  
Accounting Analyst

**CRISTY DE TORRES**  
Cash Assistant

**FRAULIEN GUMBAN**  
Underwriting Analyst (Life)

**CRISTIAN JAY MAYOR**  
Claims Analyst (Life)

**RICHARD PALADA**  
Underwriting Analyst (Life)

**GAY MARIE SAYLOON**  
Admin & Gen. Services Assistant

**JERARD TAMONLANG**  
Claims Analyst (Life)



## SALES AND MARKETING DIVISION

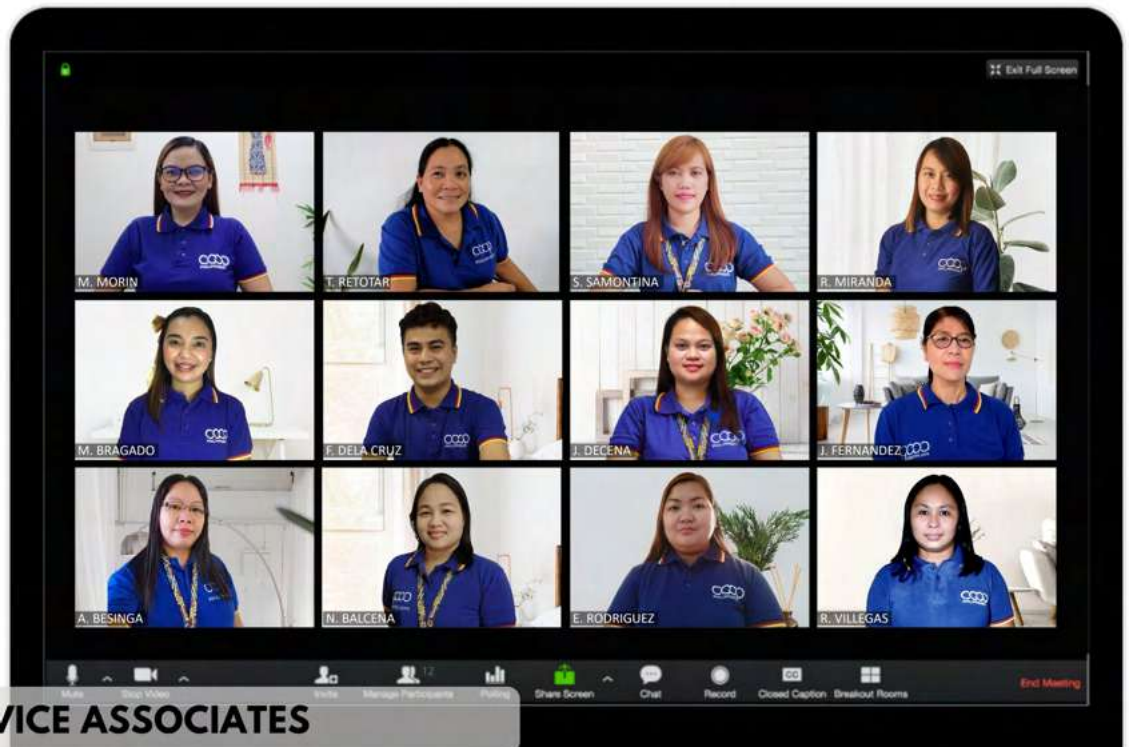
**JANE JAQUELYN BINONDO**  
Sales and Development Specialist

**HONEY CIELO DABA**  
1KIN Program Development Specialist

**KRISTINE TORRES**  
Business and Product Specialist

**GELIZABETH CABUHAT**  
Marketing and Branding Development Specialist

**LORELIE MARIE DURALIZA**  
Research and Customer Service Specialist



## CUSTOMER SERVICE ASSOCIATES

**NATHALYN BALCENA**  
Customer Service Associate

**FIT'Z GERALD DELA CRUZ**  
Customer Service Associate

**MA. TERESITA RETOTAR**  
Customer Service Associate

**ANNA LIZA BESINGA**  
Customer Service Associate

**JOSEPHINE FERNANDEZ**  
Customer Service Associate

**JOWILYN SAMONTINA**  
Customer Service Associate

**MAGDA BRAGADO**  
Customer Service Associate

**RONABELLE MIRANDA**  
Customer Service Associate

**MA. EUNICE GRACE SEMSEM**  
Customer Service Associate

**JULEVE DECENA**  
Customer Service Associate

**MANILYN MORIN**  
Customer Service Associate

**REMARIE VILLEGAS**  
Customer Service Associate



## REGIONAL AREA MANAGERS

**CHONA AMPARO**  
Regional Area Manager

**RUBY SHAYNE BALANAY**  
Regional Area Manager

**NERISSA BRUCAL**  
Regional Area Manager

**CHERRY DEJUCOS**  
Regional Area Manager

**MARCOSA DELA CRUZ**  
Regional Area Manager

**JACQUELINE MACABENLAR**  
Regional Area Manager

**GILBERT MARCOJOS**  
Regional Area Manager

**APOLINAR MARIANO JR**  
Regional Area Manager

**ROSALINA MARTINEZ**  
Regional Area Manager

**ERLIN PASAYLO**  
Regional Area Manager

**GEMMA SALES**  
Regional Area Manager

**ALFREDO SAMANTILA JR**  
Regional Area Manager

**HILDA TINAMPAY**  
Regional Area Manager

**EDNA VILLAMORA**  
Regional Area Manager

**CECILE WAGA**  
Regional Area Manager



## FINANCIAL ADVISORS

**RANDOLPH ATIENZA**  
Financial Advisor

**NATHALYN BALCENA**  
Financial Advisor

**AILYN BALE**  
Financial Advisor

**DELEGADA BELLEN**  
Financial Advisor

**MAGDA BRAGADO**  
Financial Advisor

**ROSE LIEZL CAMPO**  
Financial Advisor

**EULOGIA COTALES**  
Financial Advisor

**JAYVIN DE GUZMAN**  
Financial Advisor

**BALBINO DELA CRUZ**  
Financial Advisor

**ELSIE DIONIO**  
Financial Advisor

**JOSEPHINE FERNANDEZ**  
Financial Advisor

**MARIA ELOIZA FERNANDEZ**  
Financial Advisor

**LEO FLORES**  
Financial Advisor

**RHYS FORYASEN**  
Financial Advisor

**MARIA LIZA GAZA**  
Financial Advisor

**NONALYN HERMOGENES**  
Financial Advisor

**JUDE LORECARL IGNACIO**  
Financial Advisor

**CARME ROSE LUCES**  
Financial Advisor

**MANOLO METCHA**  
Financial Advisor

**LLOYD JESTER MARIANO**  
Financial Advisor

**CATHERINE MONTEBON**  
Financial Advisor

**MA. LINDA YARAS**  
Financial Advisor

# HOUSE RULES

**For an effective and orderly Virtual General Assembly Meeting, the following rules shall apply:**

**For an effective and orderly Virtual General Assembly Meeting, the following rules shall apply:**

1. Check your internet connection.
2. Ensure work-appropriate background and eliminate noise distractions.
3. Turn on your video so that everyone can see you.
4. Rename your ZOOM ID/NAME with the NAME OF COOPERATIVE you are representing.  
Ex. 1CISP – Juan Dela Cruz.
5. Be aware of your audio and video settings. Your microphone will be muted once you enter the meeting.

**For questions, motions, objections and approvals to the current agenda being discussed by the body, simply follow five (5) easy steps:**

1. **Open** – The member should click the “Chat” button to open the chat box.
2. **Type** – The member should chat either “MOTION, SECOND, or OBJECTION”, or “QUESTION”.
3. **Send** – Hit enter to send.
4. **Wait** – 1CISP has a technical team that will monitor the chat box. Once your message appears on the screen, we will immediately transfer the member’s name and the cooperative he or she represents, to the Chairperson for the said member to be acknowledged.
5. **Speak** – Once acknowledged, the technical team will unmute your account and you will be given an opportunity to speak. You will only be given not more than (3) minutes explain your position. Thus, we advise that in presenting your position, go straight to the point.



## **A PROSPEROUS PHILIPPINES IS A COOPERATIVE PHILIPPINES**

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ICISP Building, 80 Malakas Street,  
Brgy Pinyahan, Diliman, Quezon City



(02) 924-0471      (02) 924-0333  
(02) 436-2590      (02) 923-0739



Website: [www.cisp.coop](http://www.cisp.coop)  
FB: <https://www.facebook.com/1CISP/>

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