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Financial Statements of

Serviamus Mutual Benefit Association, Inc.

December 31, 2017 and 2016

And

Report of Independent Auditors

QUILAB & GARSUTA
CERTIFIED PUBLIC ACCOUNTANTS
quilabgarsuta.com

SERVIAMUS MUTUAL BENEFIT ASSOCIATION, INC.
4th Floor, Diocesan Centrum Bldg., Lluch Street, Iligan City, Lanao del Norte

Tel #: (063) 228-2648 Email: serviamus_mba@yahoo.com

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Serviamus Mutual Benefit Association, Inc. is responsible for the preparation and fair presentation of its financial statements for the years ended December 31, 2017 and 2016, in accordance with Philippine Financial Reporting Standards (PFRSs), and for such intemal 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 Association's ability to continue as a going concern, disclosing (as applicable) matters related to going concem and using the going concem basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Board of Trustees is responsible for overseeing the Association's financial reporting process.

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

Quilab & Garsuta, CPAs, the independent auditors appointed by the Board of Trustees for the period December 31, 2017, and Quilab, Cabilin, Bato & Co., CPAs for the period December 31, 2016, have audited the financial statements of the Association in accordance with Philippine Standards on Auditing, and in their reports to the Board of Trustees, have expressed their opinions on the faimess of presentation upon completion of such audits.

March 24, 2018, i e City of Iligan, Philippines.

REV. FR. ANDRES C. CASES, JR.
Chairman/President

LIBERTINE L. CAPANGPANGAN
General Manager

REV. FR. UBALDO L. MILLAN
Treasurer

General Manager

00 QUILAB & GARSUTA

Certified Public Accountants

C E RTI F ICAT I O N quilabgarsuta.com

Accreditations
PRC/BOA 7787 07.05.20
SEC, BSI', IC, NEA, CDA
MISEREOR

INSURANCE COMMISSION
1071 United Nations Avenue
Manila

Gentlemen:

In connection with our engagement in the audit of the financial statements of Serviamus Mutual Benefit Association, Inc. for the year ended December 31, 2017, we hereby certify:

1. That there were no weakness or breach in the intemal control and risk management of the Association that are material enough to warrant modifications of our report nor were there matters that came to our attention that need our direct reporting to the Insurance Commission (IC);

2. That we have nothing to report to the Insurance Commission (IC) with regard to items enumerated under Section 10 of Circular No. 29-2009, that came to our attention during the audit (e.g. fraud, under-reserving of IBNR, breach of laws, material internal control weaknesses, etc.), and

3. That the engagement partner, manager and auditor-in-charge of the engagement and the members of their immediate families do not have any direct or indirect financial interest with the Association, and their independence is not considered impaired under the circumstances specified in the Code of Professional Ethics for Certified Public Accountants.

This certification is issued in compliance with the requirements mandated by the Insurance Commission (IC) in its Circular No. 29-2009, dated November 10, 2009.

Done this 4th day of April 2018, at Cagayan de Oro City, Philippines.

SUBSCRIBED AND SWORN to before me this 4th day of April 2018 affiant exhibited to me his PRC Identification Number 0046034 valid until December 29, 2020.

RICO P. QUILAB
Engagement Partner

3 affiant exhibited to me his PRC

BUREAU OF INTERNAL REVENUE
REVENUE DISTRICT NO.1
ILIGAN CITY
COLLECTION SECTION
DATE RECEIVED:
11 APR 2018
ABDUL BARRY B. BALINDONG, M
REVENUE COLLECTION OFFIC

Doc. No. 186
Page No. 38
Book No. 74
Series of 2018.

NOTARY PUBLIC
ATTY. MARILEN LEZADA - ROSABAL
Notary Public until December 31 2018
PTR No. 8638468 / 12-14-17
IBP No. 1080097 / 12-14-17
Roll No. 53682 / MCLE V-0008160
TIN No. 947-407-463-000 / NC-2017-018

00 QUILAB & GARSUTA
Certified Public Accountants
quilabgarsuta.com

Accreditations

REPORT OF INDEPENDENT AUDITORS SEC, PRC/BOA BSP, IC, 7787 NEA, 07.05.20CDA

MISEREOR

The Board of Trustees and Members
Serviamus Mutual Benefit Association, Inc.
4th Floor, Diocesan Centrum Building
Lluch Street, Iligan City

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Serviamus Mutual Benefit Association, Inc., which comprise the statement of financial position as at December 31 , 2017, and the statement of profit or loss, statement of changes in fund balances and statement of cash flows for the year then ended and notes to financial statements comprising of a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Serviamus Mutual Benefit Association, Inc. as of December 31 , 2017, and of its financial performance and its cash flows for the year then ended, in accordance with Philippine Financial Reporting Standards (PFRSs).

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 Association in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such intemal 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 Association's ability to continue as a going concem, disclosing, as applicable, matters related to going concem and using the goinw concem basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic altemative but to do so.

Those charged with govemance are responsible for overseeing the Association'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 whol refree from material misstatement, whether due to fraud or error, and to issue an auditors' report that incl es our opinion. Reasonable assurance is a high level of assurance but is nota guarantee that an audit nducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements n 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 intemal control.

- Obtain an understanding of intemal 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 Association's intemal 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 concem 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 Association's ability to continue as a going concem. 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 Association to cease to continue as a going concem.

- 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 govemance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in intemal control that we identify during our audit.

Other Matter

The financial statements of Serviamus Mutual Benefit Association, Inc. as of and for the year ended December 31 , 2016, were audited by the undersigned then as partner of Quilab, Cabilin, Bato & Co., CPAs, with our unqualified report thereon dated April 6, 2017.

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Re ort on the Su lementa Information Re uired Under Revenue Re ulations l 010

Our audit was conducted for the purpose of forming an opinion on the basic financial statement ken as a whole. The supplementary information on taxes, license and fees in Note 23 to the financial statemen is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements, taken as whole.

QUIT-AB & GARSUTA, CPAs

Report on the Supplementary Information Required by SRC Code Rule 68. As Amended (2011)

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedule: Annex 1: Effective Standards and Interpretations Under PFRS as of December 31 , 2017, Adopted Beginning January 1, 2017, is presented for the purpose of complying with the requirements of Part 1, Section 4 of the Securities Regulation Code Rule 68, As Amended (2011), and are not required parts of the basic financial statements. Such information is the responsibility of the Association's management. The information in such supplementary schedules has been subjected to the auditing procedures applied in the audits of the basic financial statements. In our opinion, the information is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole and has been

prepared in accordance with SRC Rule 68. Cagayan de Oro City, Philippines

March 24, 2018

CAGAYAN DE ORO OFFICE. 2F, ecutive Centrum Building, J. R. street, 9000 GFNFU[

QUILAB & GARSUTA, CPAs By:

RICO P. QUILAB
Partner
CPA Cert. No.46034
TIN No. 129-040-841
PRC/BOA Cert. No. 7787 (07.052020)
BIR No. 16-00528702-2015 (12.29.18)
SEC No. 0906-AR-2 (7.272019)
IC No. SP-2017/025-R (12.07.20)
PTR No. 2668893 A
January 3, 2018
Cagayan de Oro City

BUREAU OF INTERNAL REVENUE
REVENUE DISTRICT NO.101
ILIGAN CITY
COLLECTION SECTION
DATE RECEIVED:
11 APR 2018
ABDUL BARRY B. BALINDONG, MBA
REVENUE COLLECTION OFFICER

Conm Addresses: (088) 856-4401, 231-6365, (08822) 72-7515,

STATEMENTS OF

Serviamus Mutual Benefit

FINANCIAL POSITION Association,
Inc.

December 31	2017	2016
ASSETS		
Current Assets	**26,975,195**	3,248,660
Cash (Note 4)		
Trade and other receivables (Note 5)	2,255,354	1,772,205
Prepayments and other current assets (Note 6)	34,227	10,735
Total Current Assets	29,264,776	
Non-Current Assets		
Furniture, fixtures and office equipment (Note 7)	288,534	26,746
	29,553,310	5,058,346
LIABILITIES AND FUND BALANCES		
Current Liabilities		
Insurance contract liabilities (Note 8)	P602,636	p417,546
Trade and other payables (Note 9)	1,172,237	497 ,629
Total Current Liabilities		915,175
Non-Current Liabilities		
Aggregate reserves for unexpired risks (Note 10)	15,550,613	,
		5,713,258
Fund Balances		
Guaranty Fund (Note 11)	6,897,215	
Special Funds (Note 12)	,	
General Fund		2,579,709
Total Fund Balances	12,227,824	
	29,553,310	PI

See Notes to Financial Statements.

PROFIT OR LOSS Association,
Inc.

BUREAU OF INTERNAL REVENUE
REVENUE DISTRICT NO. 101
ILIGAN CITY
COLLECTION SECTION
DATE RECEIVED:
11 APR 2018
ABDUL BARRY B. BALINDONG, MP
REVENUE COLLECTION OFFICER

STATEMENTS OF

Serviamus Mutual Benefit

Years Ended December 31		2017	2016
REVENUE			
Members' gross premium contributions	⁾12,147,573	P21,545,350	
Less contributions to Guaranty Fund (Note 11)607,379		1,077,268	
Net members' premium contributions		20,468,082	
Membership fees		533,700	365,800
Interest income (Note 4)		68,161	53,267
Total Revenue		21	
BENEFITS AND OPERATING EXPENSES			
Increase in aggregate reserves for life policies			
Benefits and claims paid to members		4,212,965	
Collection cost		894,461	364,427
Total Benefits and Expenses		16,186,535	
Salaries, wages, and employees' benefits (Note 14)		1,392,696	,
General and administrative expenses (Note 15)		535,643	698,646
Depreciation (Note 7)		50,541	30,210
Total Benefits and Operating Expenses		18,165,415	9,661 ,621
PROFIT FOR THE YEAR		₱2,904,528	₱2,297,640
PROFIT FOR THE YEAR DISTRIBUTED TO:			
Guaranty Fund (Note 11)			
General Fund		P54,568	p49,068
		₱2,904,528	P2,297 ,640

See Notes to Financial Statements.

STATEMENTS OF

Serviamus Mutual Benefit

2017 2016

CHANGES IN FUND BALANCES Association, Inc.

December 31

GUARANTY FUND

Opening balances

5% contributions during the year (Note 11) 607,379 Distribution of profit during the year 54,568 49,068

Closing balances 6,897,215 5,765,379

APPROPRIATED SPECIAL FUNDS (Note 12)

Members and Employees Capacity Building P686,769

Upgrading and Improving Systems and Equipment 491,142

Research and Development 294,686 Continuing Member Education 392,914

Closing balances

392,914 –

1,865,511 –

GENERAL FUND

Opening balances 331,137

Appropriations to special funds for 2016 (Note 12)

Appropriations to special funds for 2017 (575,647)

special funds for 2017 (Note 12) (575,647) –

fit during the year 2,849,960 2,248,572

3,465,098 2,579,709

Distribution of profit during the year

Closing balances

₱12,227,824 ₱8,345,088

See Notes to Financial Statements.

STATEMENTS OF

Serviamus Mutual Benefit

BUREAU OF INTERNAL REVENUE
REVENUE DISTRICT NO.101
ILIGAN CITY
COLLECTION SECTION
DATE RECEIVED:
11 APR 2018
ABDUL BA[illegible] B. [illegible], MBA
REVENUE COLLECTION OFFICER

CASH FLOWS Association,
Inc.

Years Ended December 31

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	**28**	P2,297,640
Add adjustments for:		
Depreciation (Note 7)	50,541	30,210
Increase in aggregate reserves for unexpired risks	**9,752,530**	5,462,900
(Note 10)	**12,707,599**	7,790,750
Operating income before changes in working capital		
Add (deduct) changes in working capital excluding cash		
Increase in trade and other receivables (Note 5)	(483,149)	(1,
Increase in prepayments and other current assets (Note 6)	(23,492)	(10,735)
Increase in insurance contract liabilities (Note 8)	185,090	415,046
Increase in trade and other payables (Note 9)	674,608	318,864
Net Increase in Cash from Operating Activities		
ities	**13,060,656**	7,453,050

STATEMENTS OF

Serviamus Mutual Benefit

	2017	2016
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in guaranty fund *(Note 11)*	**1,077,268**	607,379
Appropriations to special funds *(Note 12)*	**(1,964,571)**	–
Increase in special funds *Note 12)*	**1,865,511**	–
Net Increase in Cash from (Used for) Financing Activities	**978,208**	607,379
CASH FLOWS FOR INVESTING ACTIVITIES		
Additions to furniture, fixtures and office equipment *(Note 7)*	**(312,329)**	–
NET INCREASE IN CASH	**13,726,535**	8,060,429
OPENING CASH	**13,248,660**	5,188,231
CLOSING CASH *(Note 4)*	**₱26,975,195**	₱13,248,660

See Notes to Financial Statements,

Increase in guaranty fund (Note 11) 607,379

Appropriations to special funds (Note 12)

Increase in special funds Note 12)

STATEMENTS OF

Serviamus Mutual Benefit

2017 2016

NOTES TO FINANCIAL STATEMENTS Serviamus Mutual Benefit Association, Inc.
As at and for the Years Ended December 31, 2017 and 2016

Note 1

Organization and Tax Exemption

The Serviamus Mutual Benefit Association, Inc. (henceforth referred to as "Association") is a mutual benefit association organized for the primary purpose of providing life insurance and other allied services to the Foundation's members and beneficiaries. It was registered with the Securities and Exchange Commission (SEC) on May 20, 2013 with the company registration number CN2013309403 and subsequently obtained its secondary license from the insurance on January 27, 2014 with License No. 2013-32-0. It officially started operation as a Mutual Benefit Association in May 2015 upon receipt of its implementing rules and regulations (IRR) goveming its secondary license. The Association has 17,195 members at the end of 2017.

The Association was organized to: (1) extend financial assistance to its members, their spouses, children and parents in the form of death and sickness benefits, provident savings and loan redemption assistance, and (2) ensure continued access to benefits/resources by actively involving the members in the management of the Association that would include implementation of policies and procedures geared towards sustainability and improved services, and (3) to ensure compliance with administrative and regulatory insurances, rulings and development, and technical service operations.

The Association maintains Head Office at the 4th Floor, Diocesan Centrum Building, Lluch Street, Iligan City, Lanao del Norte.

In accordance with Section 30 (C) of the National Intemal Revenue Code, as amended, the Association is exempted from the payment of taxes from income derived by it

Note 2

Summary of Significant Accounting Policies

The significant accounting policies that have been used in the preparation of these financial statements are summarized below.

Statement of Compliance

The financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs) and Philippine Interpretations-IFRIC. PFRSs include statements named PFRSs and Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by SEC.

Basis of Preparation

The accompanying financial statements have been prepared using the historical cost basis, The financial statements are presented in Philippine peso, which is the Association's functional and presentation currency and all values are

2017 2016

recorded to the nearest peso except when otherwise indicated. The accounting policies used in preparing these

ous period.
11 APR 2018
ABDUL JARRY B. BALINDONG, I
REVENUE COLLECTION OFF

financial statements have been consistently applied since the previous period.

The preparation of the financial statements made use of estimates, assumptions and judgments by management based on management's best knowledge of current and historical facts as at statement of financial condition date. These estimates and judgments affect the reported amounts of assets and liabilities and contingent liabilities as at statement of financial condition date, as well as affecting the reported income and expenses for the year. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

New and Amended Standards and Interpretations

The Association has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB), which are adopted by the Philippines Financial Reporting Standards Council (PFRSC) and approved by the Securities and Exchange Commission (SEC) as Philippine Financial Reporting Standards (PFRSs) that are mandatorily effective for accounting period that begins on or after January 1, 2017.

Amendments to IAS 7 Disclosure Initiative

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. The Association has no extemal borrowings hence the amendments are not applied in these financial statements.

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealized Losses

The amendments clarify how an entity should evaluate whether there will be sufficient future taxable profits against which it can utilize a deductible temporary difference. The application of these amendments has had no impact on the Association's financial statements as the Association's transactions are tax-exempt.

New and Revised IFRSs in Issue but not yet Effective

The Association has not yet applied the following new and revised IFRSs that have been issued but not yet effective:

- IFRS 9 'Financial Instruments'
- IFRS 15 'Revenue from Contracts with Customers (and the related Clarifications)' • IFRS 16 'Leases'
- Amendments to IFRS 2 'Classification and Measurement of Share-based Payment Transactions'
- Amendments to IFRS 10 and IAS 28 'Sale or Contribution of Assets between an Investor and its Associate of Joint Venture'
- Amendments to IAS 40 Transfer of Investment Property
- Amendments to IFRSs
- IFRIC 22

IFRS 9 'Financial Instruments'

IFRS 9 issued on November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the

2017 2016

classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category by certain simple debt instruments. IFRS 9 will become effective for annual periods beginning on or after January 1, 2018.

The Association management is presently conducting analysis on the impact of IFRS 9 to the Association's financial statements.

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18

'Revenue', IAS 1 1 'Construction Contracts' and the related interpretations when it becomes effective for annual periods beginning on or after January 1, 2018.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The management of the Association is still in the process of assessing the full impact of the application of IFRS 15 on the Association's financial statements and it is not practicable to provide a reasonable financial estimate of the effect until the completion of the detailed review.

IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective for annual periods beginning on or after January 1 , 2019, with earlier application permitted.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed

2017 2016

for lessee accounting and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognized for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The management of the Association is still in the process of assessing the full impact of the application of IFRS 16 on the Association's financial statements and it is not practicable to provide a reasonable financial estimate of the effect until the completion of the detailed review.

Amendments to IFRS 2 'Classification and Measurement of Share-based Payment Transactions'

The amendments clarify the following:

1) In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.

2) Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangement has a 'net settlement feature' , such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled hand it not included the net settlement feature.

3) A modification of a share-based payment that changes the transactions from cash-settled to equitysettled should be accounted for as follows: (i) the original liability is derecognized; (ii) the equity-settled

share-based payment is recognized at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and (iii) any difference between the carrying amount of the liability at the modification date and the amount recognized in equity should be recognized in profit or loss immediately.

The amendments are effective for annual reporting periods beginning on or after January 1, 2018, with earlier application permitted. Specific transition provisions apply.

The management of the Association does not anticipate that the application for the amendments in the future will have a significant impact on the Association's financial statements as the Association does not have any cashsettled share-based payment arrangements or any withholding tax arrangements with tax authorities in relation to share-based payments.

Amendments to IFRS 10 and IAS 28 'Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted.

The management of the Association does not anticipate any impact on the Association's financial statements of the amendments since there are no such transactions presently.

Amendments to IAS 40 Transfers of Investment Pro e

The amendments clarify that a transfer to, or from, investment property necessitates an assessment of whether a property meets, or has ceased to meet, the definition of investment property, supported by observable evidence that a change in use has occurred. The amendments further clarify that situations other than the ones listed in PAS/IAS 40 may evidence a change in use, and that a change in use is possible for properties under construction (i.e. a change in use is not limited to completed properties).

The amendments are effective for annual periods beginning on or after January 1 , 2018 with earlier application permitted. Entities can apply the amendments either retrospectively (if this is possible without the use of hindsight) or prospectively. Specific transition provisions apply.

The management of the Association does not anticipate any impact on the Association's financial statements of the amendments since it has no investment property presently.

Annual Improvements to IFRSs 2014-2016 Cvcle

The Annual Improvements include amendments to PFRS 1 and PAS/IAS 28 which are not yet mandatorily effective for the Association. The package also includes amendments to PFRS 12 which is mandatorily effective for the current year but is not applicable to the Association as it has no associates or joint ventures.

The amendments to IAS 28 clarify that the option for a venture capital organization and other similar entities to measure investments in associates and joint ventures at FVTPL is available separately for each associate or joint venture, and that election should be made at initial recognition of the associate or joint venture. In respect of the option for an entity that is not an investment entity (IE) to retain the fair value measurement applied by its associates and joint ventures that are IEs when applying the equity method, the amendments make a similar clarification that this choice is available for each IE associate or IE joint venture. The amendments apply retrospectively with earlier application permitted.

Both the amendments to PFRS 1 and PAS/IAS 28 are effective for annual periods beginning on or after January 1, 2018.

The management of the Association does not anticipate that the application of the amendments in the future will have any impact on the Association's financial statements as the Association is not a venture capital organization. Furthermore, the Association does not have any associate or joint venture that is an investment entity.

IFRIC 22 Foreign Currency Transactions and Advance Consideration

IFRIC 22 addresses how to determine the 'date of transaction' for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of a non-monetary liability (e.g. a nonrefundable deposit or deferred revenue.)

The interpretation specifies that the date of transaction is the date on which the entity initially recognizes the nonmonetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the interpretation requires an entity to determine the date of transaction for each payment or receipt of advance consideration.

The Interpretation is effective for annual periods beginning on or after January 1 , 2018 with earlier application permitted. Entities can apply the Interpretation either retrospectively or prospectively. Specific transaction provisions apply to prospective application.

2017 2016

The management of the Association does not anticipate that the application of the amendments in the future will have an impact on the Association's financial statements. This is because the Association has no foreign currency transactions.

Fair Value Measurement

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

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

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

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

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

	2017	2016

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and are subject to an insignificant risk of changes in value and are free of any encumbrances. The Association has no cash equivalents at the end of the year.

Financial Instruments

Recoqnition, Initial Measurement and Derecognition

Financial assets and financial liabilities are recognized when the Association becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification and Subsequent Measurement of Financial Assets

For the purpose of subsequent measurement financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

(a) Loans and receivables,
(b) Financial assets at fair value through profit or loss (FVTPL); (c) Held-to-maturity (HTM) investments, and (d) Available-for-sale (AFS) financial assets.

All financial assets except for those at FVTPL are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The Association has no financial assets at FVTPL, HTM investments and AFS securities. The Association's financial assets consist loans and receivables.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise with the Association provides money, goods and services directly to the debtor with no intention of trading the receivables. Included in this category are financial assets arising from insurance contracts, such as amounts due from policyholders and members of the mutual benefit association, agents and brokers, reinsures and accounts with officers and employees. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as noncurrent assets.

Loans and receivables are measured upon initial recognition at fair value plus transactions costs that are directly attributable to the acquisition of the loans and receivables. After initial recognition, the loans and receivables are measured at amortized cost using the effective interest method.

Classification and Subsequent Measurement of Financial Liabilities

Financial liabilities presently include trade and other payables, which are measured subsequently at amortized cost using the effective interest method.

Financial liabilities are recognized when the Association becomes a party to the contractual agreement of the instrument. All interest and related charges are recognized as an expense in the statement of profit or loss under the caption Interest Expense. Financial liabilities are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration.

Impairment of Financial Assets

The Association assesses at each time it prepares its financial statements whether there is any objective evidence that its financial assets are impaired. For assets carried at amortized cost, the Association assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Association may measure impairment on the basis of an instrument's fair value using an observable market price. If, in a subsequent period, the amount of the impairment loss decrease, and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the statement of profit or loss.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset, and the resulting net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Fumiture, Fixtures and Office Equipment

Furniture, fixtures and office equipment are stated at cost less accumulated depreciation. Such cost includes the cost of replacing part of such furniture, fixtures and office equipment when that cost is incurred, if the recognition criteria are met. Interests incurred on borrowed funds used to finance the construction of properties during the construction period are capitalized. Other borrowing costs are expensed. An item of furniture, fixtures and office equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income in the year the asset is derecognized

Depreciation is computed on the straight-line method over the estimated useful lives of the assets, which is five (5) years.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is credited or charged to income. The cost of

major renovations is included in the carrying amount of the asset when it is probable that future economic benefits arising from the renovations will flow to the organization.

The carrying values of Association's furniture, fixtures and office equipment are reviewed for impairment when changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The recoverable amount of Association's fumiture, fixtures and office equipment is the greater of net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's-length transaction.

Impairment of Non-Financial Assets

The Association's furniture, fixtures and office equipment and other assets are subject to impairment testing. Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. An impairment loss is recognized for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting the market conditions less cost to sell, and value in use, based on an intemal evaluation of discounted cash flow. All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the previously recognized impairment loss.

Actuarial Policies

Actuarial liabilities (reserves for life policy and members' equity) are computed by the Consulting Actuary of the Association using actuarial practices generally accepted in the Philippines. Actuarial liabilities and other policy liabilities represent the estimated amounts which, together with estimated future premiums and net investment income, will provide for outstanding claims, estimated future benefits, and expenses on in-force policies.

In calculating actuarial liabilities, assumptions must be made about the timing and amount of many events, including death, investment, inflation, policy termination, expenses, taxes, premiums and commissions. The Association uses best estimate assumptions for expected future experience. Uncertainty is inherent in the process, as no one can accurately predict the future. Some assumptions relate to events that are anticipated to occur many years in the future and are likely to require subsequent revision.

Additional provisions are included in the actuarial liabilities to provide for possible adverse deviations from the best estimates. If the assumption is more susceptible to change or if the actuary is less certain about the underlying best estimate assumption, a correspondingly larger provision is included in the actuarial liabilities. In determining these provisions, the Association ensures: (a) when taken one at a time, the provision is reasonable with respect to the underlying best estimate assumption, and the extent of uncertainty present in making that assumption, and (b) in total, the cumulative effect of all provisions is reasonable with respect to the total actuarial liabilities. With the passage of time and resulting reduction in estimation risk, the provisions are released into income. The best estimate assumptions and margins for adverse deviations are reviewed annually and revisions are made where deemed necessary and prudent.

Recording of Claims from Policyholders

Claims incurred comprise settlement and handling costs of paid and outstanding claims arising during the year and adjustments to prior year claim provisions. Outstanding claims comprise claims incurred up to, but not paid, at the end of the year, whether reported or not.

Income and Cost Recognition

The Association recognizes income and expenses as follows:

(a) Premium contributions are recorded as income in the period in which the risk commences. The proportion of the premiums written relating to periods of risk after the balance sheet date is carried forward to subsequent accounting periods as unearned premiums, so that eamed premiums relate to risks carried during the accounting period.

(b) Members' gross contributions are allocated as follows:
  - 50% goes to the reserve for members' equity, intended for members' entitlements of equity value after three (3) full years of continuous membership in the Association, representing 50% of the total membership dues collected less claims paid;
  - 30% goes to cover basic benefits of members

2017 2016

- 5% goes to guarantee fund, and
- the remaining 15% goes to general operations, to cover administrative costs.

(c) Interests earned from bank deposits are carried in the books net of taxes.

(d) Grants and donations received are valued at fair market value at the time the grants are received.

(e) Cost and expenses are recognized in the income statement upon utilization of the service or at the date they are incurred.

Employee Benefits

The Association does not provide its employees with post-retirement benefits. The Association's employees are provided with the following benefits:

◦ Retirement Benefits Pavable at Retirement Date

Retirement benefits are provided to the Association's employees at the time of their retirement computed largely based on the provisions of R.A. 7641, An Act Amending Adicle 287 of Presidential Decree No. 442, as Amended, Otherwise Known as the Labor Code of the Philippines, by Providing for

Retirement Pay to Qualified Private Sector Employees in the Absence of any Retirement Plan in the Establishment. The computation of the retirement benefits due to each employee is based on the employees' compensation and number of years in service. This simple calculation is a measure of the Association's obligation called the accumulated benefit obligation method (as opposed to the projected credit unit method). Under this simplified method, the Association ignores factors such as estimated future salary increases, future service of current employees and possible in-service mortality of current employees between repotting date and date the employees are expected to retire. The Association feels that the amount derived by this simplified computation represents the approximation of its liability to all its regular employees.

The Association's retirement benefit program, although not based on the provisions of PAS/IAS 19, Employees Benefits and PAS/IAS 26, Accounting and Reporting by Retirement Benefit Plans, is a defined benefit plan, which is a retirement plan that defines an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for the benefits of the retirement plan remains with the

Association, even if plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long-term benefit fund, as well as qualifying insurance policies. The Association's defined benefit retirement plan covers all regular full-time academic and non-academic personnel. The retirement plan is noncontributory and is presently unfunded.

◦ Termination Benefits

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

- Compensated Absences

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the statement of financial condition date. The amounts recognized are included in Trade and Other Payables account in the statement of financial condition at the undiscounted amount that the Association expects to pay as a result of the unused entitlement.

Leases

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

The Association accounts for its rental of office space as operating lease. The Association's lease to the building does not transfer to the Association all the risks and benefits of ownership of the assets. Operating lease payments are recognized as expense in the income statement on a straight-line basis over the lease term. For capitalized leasehold improvements, the Association depreciates the assets over the shorter of the estimated useful lives of the asset or the lease term.

Provisions and Contingent Liabilities

Provisions, if any, are recognized when the Association has legal or constructive obligations as a result of a past event: it is probable that an outflow of resources will be required to settle the obligation and estimate can be made of the amount obligation. Provisions are recognized when present obligation will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the statement of financial condition date, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain as a separate asset, not exceeding the amount of related provision.

Provisions are reviewed at each statement of financial condition date and adjusted to reflect the current best estimate. In those cases where the possible outflow of the economic resources as a result of present obligation is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the consolidated financial statements. Probable inflows of economic benefits that do not yet meet the recognition criteria of the asset are considered contingent assets, hence, are not recognized in the financial statements. No contingent liabilities have been incurred during the year.

Subsequent Events

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

Note 3

	2017	2016

Significant Accounting Estimates and Judgments

The preparation of the financial statements in accordance with PFRS requires the Association to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets liabilities. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the financial statements as they become reasonably determinable. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following critical accounting estimates and judgments may be applicable, among many other possible areas not presented in the Association's financial statements:

Fair Value of Financial Instruments

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Impairment of AFS Financial Assets

The Association determines that AFS financial assets are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Association evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, and its operational and financing cash flows.

Allowance for Impairment of Insurance Receivable

Allowance is made for specific accounts, where objective evidence of impairment exists. The Association evaluates these accounts based on available facts and circumstances, including, but not limited to, the length of the Association's relationship with the customers, the customers' current credit status based on known market forces, average age of accounts, collection experience, and historical loss experience. The recorded losses for any period would therefore differ based on the judgments and estimates made

Estimating Useful Lives of Propedv and Equipment

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

Impairment of Non-Financial Assets

The Association assesses the impairment of its non-financial assets whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and the value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows

	2017	2016

expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. For impairment loss on specific asset, the recoverable amount represents the net selling price. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Association is required to make estimates and assumptions that can materially affect the Association's financial statements.

Retirement Benefits

The determination of the Association's obligation and cost for pension and other employee benefits is dependent on the selection of certain assumptions used by management in calculating such amounts. While the Association believes that the assumptions used are reasonable and appropriate, significant differences in the actual experience or significant changes in assumptions may materially affect employee benefit obligations.

Provisions and Continqencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition and disclosure of provision and disclosure of contingencies are discussed in Note 2.

Note 4

Cash

This account is composed of the following:

December 31	2017	2016
Petty cash fund		
Cash in banks – unrestricted	21,199,306	8,114,606
Cash in banks – restricted	5,770,889	5,129,054
	₱26,975,195	₱13,248,660

P5,ooo

The cash in banks include the Guaranty Fund required by the Insurance Commission to be maintained by the Association. The cash in banks earn interest at the prevailing market rates. Interest income eamed from the deposits amounted to P68,161 in 2017 and P53,267 in 2016.

Note 5

Trade and Other Receivables

This account consists principally of receivables from Serviamus Foundation, Inc. The main office and the branches of Serviamus Foundation, Inc. serve as collecting agents of the Association.

December 31	2017	2016
Receivables from agents		
Accounts receivable-others	2,884	

	2017	2016

Management believes the accounts were not impaired at the end of the year.

Note 6

Details of Prepayments and Other Current Assets

December 31	2017	2016
Inventory of office supplies	P30,877	
Prepayment for insurance policy	3,350	PIO,735
	P34,227	PIO,735

Note 7

Furniture. Fixtures and Office Equipment

The furniture, fixtures and office equipment, which are stated at cost, consists of the following:

December 31	2017	2016
IT equipment	P350,097	₱45 738
Fumiture, fixtures and office equipment	51,309	47,609
Leasehold improvements	14,244	9,974
	415,650	103,321
Accumulated depreciation	(127,116)	(76,575)
	P288,534	P26,746

	2017	2016

The accounting of the movements of the assets in both years are as follows:

December 31, 2017	Opening Balance	Additions	Retirement	Closing Balance
Cost				
IT equipment	p45,738	P304,359	p-	
Furniture, fixtures and equipment	47,609	3,700		P350,097
Leasehold improvements	9,974	4,270		51 ,309
	103,321	312,329		14,244
				415,650
Accumulated Depreciation				
IT equipment	30,167	44 ,246		74,413
Furniture, fixtures and equipment	39,254	4,247		43,501
Leasehold improvements	7,154	2,048		9,202
	76,575	50,541		127,116
Book Value		P261 , 788		P288 534
December 31 2016				
Cost				
IT equipment	p45,738			P45,738
Furniture, fixtures and equipment	47,609			47,609
Leasehold improvements	9,974			9 974
	103,321			103,321
Accumulated Depreciation				
IT equipment	15,004	15,163		30,167
Fumiture, fixtures and equipment	27,529	11,725		39,254
Leasehold improvements	3,832	3,322		7,154
	46,365	30,210		76,575
Book Value	₱56,956	(₱30,210)	₱–	**₱26,746**

Note 8

Insurance Contract Liabilities

This consists of the following:

December 31	2017	2016
Claims incurred but not reported	P366,436	P167,946
Claims due and unpaid	130,300	245,000
Claims in course of settlement	95,600	
Claims resisted	10,300	4,600
	P602 636	p417,546

Incurred but not reported claims is the sum of individual claims on membership certificates that have already occurred, but notice has not been received by the Association before reporting date. Incurred but not reported claims are claims reported beyond the reporting date whose date of claim happened three months before the reporting date. For 2017, claims reported in the months of November 2017, December 2017 and January 2018 whose date of death/claim is before November 1, 2017 are included in this category.

	2017	2016

Claims in the course of settlement are claims reported and unpaid at the end of the year pending submission of documentary requirements. No decision has yet been made whether to deny or to pay the claim.

Claims due and unpaid benefits represent claim benefits that have been processed and that the Association recognizes liability on the claims by the member or its beneficiaries. The aggregate liability includes checks payments that are still outstanding at the accounting office for various reasons like returned/staled checks, undelivered checks to addressees either because the addressees changed addresses or refused to accept payment, etc. Resisted or denied claims are claim benefit applications whose benefit payments are being contested/resisted by the Association due to infraction(s) of the Association's Rules and Regulations.

The amounts recorded as insurance contract liabilities were certified by the Association's Actuary to be in accordance with sound actuarial principles.

Note 9

Trade and Other Payables

This consists of the following:

December 31	2017	2016
Accounts payable	₱1,161,216	P462, 188
Uneamed premiums	5, 760	
Accrued expenses	3,110	1 1 ,249
Withholding taxes payable	1 ,685	10,730
Unremitted contributions to Government agencies	466	13,462
	₱1,172,237	p497,629 ₱497,629

Note 10

Aagregate Reserves for Unexpired Risks

The aggregate policy reserves represent the amount which is considered adequate to cover future guaranteed benefits as they become payable under the provisions of the policies in force. The reserve is the aggregate value of future guaranteed benefits less the present value of future net premiums.

In accordance with the provisions of the Insurance Code, every outstanding membership certificate must have, after three (3) full years of being continuously in force, an equity value to at least 50% of the total membership dues collected from the member less claims paid. The equity is payable to the members upon termination of their membership in the Association. In accordance with the same Code, the Association is required to put up a reserve liability not lower than the equity value of all in-force, active certificates as at the end of each calendar year; hence, the Association sets up the 50% of its gross premium collections as its reserves for members' equity. The reserve for life policies represents the amount which is considered adequate to cover future guaranteed benefits as they become payable under the provisions of the policies in force. The resetve is the aggregate value of future guaranteed benefits less the present value of future net premiums.

	2017	2016

This consists of the following reserves:

December 31			2017	2016
Reserues for members' equity	₱15,323,651	₱5,602,951		
Reserves for life policies			226,962	195,132
			₱15,550,613	₱5,798,083

The amount of aggregate reserves for members' equity and reserves for life policies for the period ended December 31, 2017 have been computed and certified by the Consulting Actuary of the Association to be in accordance with commonly accepted actuarial standards consistently applied and that the legal policy reserves and other actuarial items are fairly stated in accordance with sound actuarial principles.

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

December 31, 2017	Reserves for Members' Equity	Reserves for Life Policies	Total
			P335,183
Provisions during 2015	P293,790	p41,393	
Provisions during 2016	5,309,162	153,738	
Provisions during 2017		31,830	
	₱15,323,652	P226,961	PI

Note 11

Guaranty Fund

This represents the amount required by the Insurance Commission (IC) to be established to guaranty the benefits and security of policyholders and creditors of the Association, in accordance with the provisions of the Insurance Code of the Philippines, deposited in a local depository bank. (See Note 4.) The Fund is increased by the 5% contributions from members. It is also augmented by the interest income earned during the year, which in 2017 amounted P54,568 and in 2016, P49,068.

The following is the accounting of the Guaranty Fund:

December 31		2017	2016
Opening balances	₱5,108,932	₱5,765,379	
Members' contributions representing 5% of total premiums received	607,379	1,077,268	
Distributionof profit during the year (interest income eamed) 54,568 49,068			
Closing balances		₱6,897,215	₱5,765,379

Note 12

Special Funds

In accordance with the recommendations of the Insurance Commission, the Association's Board of Trustees approved appropriations of the following special funds from the General Fund:

STATEMENTS OF

Serviamus Mutual Benefit

December 31	2017 2017	2016 2016
Members' and Employees' Capacity Building Fund	P686,769	P-
Upgrading and Improving of Systems and Equipment Fund	491,143	
Research and Development Fund	294,685	
Continuing Member Education Fund	392,914	
	PI	

The allocations were taken from the 2016 and 2017 savings as follows:

December 31, 2017	2016 Savings Allocation	2017 savings Allocations	Total
Members' and Employees' Capacity Building Fund	P555,570	P230,259	P785,829
Upgrading and Improving Systems & Equipment Fund	347,231	143,912	491,143
Research and Development Fund	208,338	86,347	294,685
Continuing Member Education Fund	277,785	115,129	392,914
	PI388.924	P575,647	P1,
Transactions on Members/Employees Capacity Fund			(99,060)

Note 13

Members' Premium Contribution

The Association's members are charged thirty pesos (930.00) per week, during their active membership in the Association. In accordance with its Rules and Regulations approved by the Insurance Commission (IC), the Association allocates the contributions as follows:

a. 50% is allocated as reserve for members' equity intended for the members' entitlements of equity value;
b. 30% is intended to cover basic benefits such as payments for death or permanent disability claims of a member or its legal spouse below sixty-six (66) years old; or four (4) single, biological and/or legally adopted children who are two weeks old but not more than twenty-one (21) years old single, disabled and incapacitated to work. If single without children, the members' legal dependents include the member's biological parents not more than 65 years. If a member's parents are both deceased upon membership, the member can declare two (2) eldest siblings, at least two (2) weeks old but not more than twenty-one (21) years old.
c. 5% is intended as additional guaranty fund, and
d. 15% is intended to cover administrative costs and expenses.

The members are also charged with one-time membership fee of PIOO, which is non-refundable and does not form part of the members' accumulated and refundable contributions. The amount is treated as income to finance part of the requirements for general and administrative expenses not covered by the 15% allocation from gross premium contributions.

Gross premiums on credit life insurance are income from loans on member's which are included in the monthly payments of the loans. The amount of contribution is based on the principal amount and term of loans.

The Association's withdrawal of equity amounted to PI ,346,513 in 2017 and P554,916 in 2016.

Note 14

Details of Salaries. Waqes and Employees' Benefits

Years Ended December 31	2017	2016
Salaries and wages	P962,247	P891288
Counterpart contributions to SSS, PHIC and HDMF	99,754	87,290
Other benefits	330,695	80,299
	₱1,392,696	₱1,058,877

Note 15

Details of General and Administrative Expenses

Years Ended December 31	2017	2016
Taxes and licenses (Note 23)	P120,899	P23,979
Technical and professional fees	112,600	213,234
Meetings and conferences	101,272	156,705
Rent	51,744	50,176
Office supplies	41,089	64,589

Utilities	27,775	22,198
Insurance	15,150	9,648
Dues and subscription	15,000	65,000
Travel	9,859	14,195

(Carried ForWard.)

(Brought Forward.)

Years Ended December 31	2017	2016
Professional and technical development		72,533
Miscellaneous	40,255	6,389
	P535,643	

Note 16

Related Party Transactions

In the ordinary course of trade or business, the Association has transactions with its related parties which include its Board of Trustees, members of various committees and its officers and employees, who are also members of the Association. These transactions are made substantially on the same terms and conditions as with other members of comparable risks. The Association accepts insurance business from the borrowers of Serviamus Foundation, Inc. and authorizes these institutions to collect premium contributions from these members for certain commissions. None of the transactions incorporate special terms and conditions and no guarantee is given or received. Outstanding balances are usually settled in cash.

The key management supervising the operations of the Association is still under the employ of Serviamus Foundation, Inc.

Note 17

Fair Value Measurement

Financial Instruments Measured at Amodized Cost for which Fair Value is Disclosed

The table in the following page summarizes the fair value hierarchy of the Association's financial assets and financial liabilities which are not measured at fair value in the 2017 statement of financial condition but for which fair value is disclosed.

December 31, 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Cash (Note 4)	₱26,975,195			**₱26,975,195**
Trade and other receivables (Note 5)			₱2,255,354	**2,255,354**
	₱26,975,195		₱2,255,354	**₱29,230,549**
Financial liabilities				
Aggregate reserves for risks (Note 10)			₱15,550,613	**₱15,550,613**
Insurance contract liabilities (Note 8)			602,636	602,636
Trade and other payables (Note 9)			1,172,237	1,172,237
Financial liabilities				

		₱17,325,486	**₱17,325,486**
			P17 325 486

December31 2016

Financial assets			
Cash *(Note 4)*	₱13,248,660		**₱13,248,660**
Trade and other receivables *(Note 5)*		₱1,772,205	**1,772,205**
	₱13,248,660	₱1,772,205	**₱15,020,865**
Financial liabilities			
Aggregate reserves for risks *(Note 10)*		₱5,798,083	**₱5,798,083**
Insurance contract liabilities (Note 8)		417,546	417,546
Trade and other payables (Note 9)		497,629	497,629
Financial liabilities			

For financial assets and financial liabilities with fair values included in Level 1, management considers that the camying amounts of those short-term financial instruments equal their fair values.

The fair values of the financial assets and financial liabilities included in Level 3 above which are not traded in an active market is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counter-parties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Association uses valuation technique, it maximizes the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

Fair Value Measurement for Non-Financial Assets

The table in the following page shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis as of December 31, 2017 and 2016.

December 31, 2017	Level I	Level 2	Level 3	Total
Furniture, fixtures & office eqpt (Note 7)			P288,534	P288,534
Prepayments & other current assets (Note6)			34,227	34,227
			P322,761	P322,761
December 31 2016				
Furniture, fixtures & office eqpt (Note 7)			P26,746	P26,746
Prepayments & other current assets (Note6)			10,735	10,735
			P37,481	P37,481

The Level 3 fair value of the buildings and improvements included under the Property and Equipment account was determined using the cost approach that reflects the cost to a market participant to construct an asset of comparable usage, construction standards, design and layout, adjusted for obsolescence. The more significant inputs used in the valuation include direct and indirect costs of construction such as but not limited to, labor and contractors profit, materials and equipment, surveying and permit costs, electricity and utility costs, architectural and engineering fees, insurance and legal fees. These inputs were derived from various suppliers and contractors quotes, price catalogues, and construction price indices. Under this approach, higher estimated costs used in the valuation will result in higher fair value of the properties.

Note 18

Risk Management Obiectives and Policies

The Association is exposed to a variety of risks in performing its activities. Its risk management is coordinated by its Board of Trustees. It is principally exposed to insurance risk, the risk that the actual claims and benefit payments exceed the carrying amount of insurance liabilities. The Association has not accessed the facilities of reinsurers hence it is assuming full responsibility for the insurance risks.

The Association is also exposed to a variety of financial risks. Its strategy focuses principally on securing short to medium term cash flows by minimizing exposures to financial markets. The Association does not actively engage in the trading of financial assets nor does it write options. It has no significant exposure to foreign currency risks as most transactions are denominated in Philippine peso, its functional currency. It likewise has little exposure to interest rate risk as its investments and deposits have fixed interest rates. Its exposure to credit risk is limited to the carrying amount of financial assets recognized at reporting date. Among these assets, the potential effect of losses from its AFS financial assets is significantly reduced by placing the investments in safe Government securities.

As at December 31 , 2017, the Association's financial assets are composed of the following:

December 31 2017	Neither Past Due Nor Impaired	Past Due But Not Impaired	Total
Cashp₱26Trade and other Receivables	₱26,975,195 2,255,354		
	₱29.230.549, '	p-	
	100%		100%

The Association is likewise exposed to liquidity or funding risk, the risk that it will encounter difficulty in raising funds to meet commitments associated with financial instruments. It may result from either the inability to sell financial assets quickly at their fair values; or the counterparty failing to repay a contractual obligation; or insurance liabilities falling due for payment earlier than expected; or inability to generate cash inflows as anticipated. Management addresses this issue by maintaining its available cash resources in demand deposits or time deposits that can be pre-terminated anytime and, in such volume, as to ensure that it meets its obligations on time.

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

December 31 2017		Due in One Year	Due Over One Year	Total
Insurance contract liabilities		P602,636	p-	P602,636
Trade and other payables		1 , 172,237		1,172,237
Aggregate reserves for life policies	15,550,613	15,550,613		
		PI	PI	PI 7 325,486
				1000/0

Note 19

Capital Management Objectives. Policies and Procedures

The Association maintains a certain level of capital to ensure sufficient solvency margins and to adequately protect its members. The Association's Board of Trustees reviews regularly its capital structure and considers the cost of capital and the risks associated with each class of capital. Management regularly monitors the capital requirements of the Association, taking account of future balance sheet growth, profitability, and any anticipated regulatory changes, in order to ensure that the Association is at all times able to meet the forecast future minimum capital requirements. The Association's overall strategy remains unchanged from the past year.

Note 20

Commitments and Contingencies

In the normal course of its operations, the Association makes various commitments and incurs certain contingent liabilities which are not reflected in the accompanying financial statements. Management anticipates no material losses, if any, that may arise from these commitments and contingencies.

Note 21

Events After Reporting Date

There were no events after reporting date that would require disclosures or adjustments on the financial statements of the Association.

Note 22

Approval of Financial Statements

The Association's financial statements as of December 31 , 2017, and for the year then ended, were authorized for issue by its Executive Committee on March 12, 2018.

Note 23

Taxes and Licenses

In accordance with the supplementary information required under Revenue Regulations No. 15-2010, the Association discloses the following:

Years Ended December 31	2017	2016
Insurance commission permit	Pli6,150	P20,200
Business permit	4,249	3,279
BIR Annual Registration	500	500
	PI 20,899	P23,979

SUPPLEMENTARY SCHEDULE TO THE FINANCIAL STATEMENTS

Annex I Effective Standards and Interpretations Under PFRS as of December 31, 2017, Adopted Beginning January 1, 2017

Effective as of December 31, 2017	Ado ted	Not Ado ted	licablc
:ramework for the Preparation and Presentation of Financial Statements			
)once tual Framework Phase A: Ob'ectives and Qualitative Characteristics			
'FRSs Practice Statement Mana ement Commenta			
'HILIPPINE FINANCIAL REPORTING STANDARDS 'FRS 1 (Revised)			
:irst-time Ado tion of Phili ine Financial Re ortin Standards			
\mendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Joint)ontrolled Enti or Associate			
\mendments to PFRS 1: Additional Exem tions for First-time Ado ters			
\mendment to PFRS 1: Limited Exemption from Comparative PFRS 7)isclosures for First-time Ado ters			
\mendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for :irst-time Ado ters			
\mendments to PFRS 1: Government Loans			
\mendments to PFRS 1: Borrowin Costs			
\mendments to PFRS 1: Meanin of effective standards			
\mendments to PFRS 1: Deletion of short-term exce tions for first-time ado ters			
'FRS 2 hare-based Pa ment			
\mendments to PFRS 2: Vestin Conditions and Cancellations			
\mendments to PFRS 2: Grou Cash-settled Share-based Pa ment Transactions to PFRS 2: Definition of Vestin Condition			
Omendments to PFRS 2: Classification and Measurement Pa ment Transactions			
'FRS 3 (Revised) 3usiness Combinations onendments to PFRS 3: Accounting for Contingent Consideration in a Business hmbination			
fiendment to PFRS 3: Sco e Exce tions for Joint Arran ements			
fiendment to PFRS 3: Annual 1m rovements to IFRS 2015-2017			
'FRS 4 nsurance Contracts mendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			

PFRS4: A I in PFRS 9 with

PFRS4* 'FRS 5

Ion-current Assets Held for Sale and Discontinued O erations han
es in Method of Dis osal 'FRS 6 ix 'oration for and Evaluation of
Mineral Resources 'FRS 7

'inancial Instruments: Disclosures mendments to PAS 39 and
PFRS 7: Reclassification of Financial Assets

Not NO

Effective as of December 31, 2017 Ado ted Ado ted licabl'

Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets Effective
Date and Transition

Amendments to PFRS 7: 1m rovin Disclosures about Financial Instruments
Amendments to PFRS 7: Disclosures - Transfers of Financial Assets

Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial

Liabilities

Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and
Transition Disclosures

Amendments to PFRS 7: Servicin Contracts
Amendments to PFRS 7: Applicability of the Amendments to PFRS 7 to
Condensed nterim Financial Statements *FRS 8

) eratin Se ments to PFRS 8: Aggregation of Operating Segments and Reconciliation
the Total of the Re ortable Se ments' Assets to the Entit 's Assets

'FRS 9

:inancial Instruments 2014 version

\mendments to PFRS 9: Mandatory Effective Date of PFRS9 and Transition
)isclosures*

\mendments to IFRS 9: Pre a ment Features with Ne ative Com ensation 'FRS 10

)onsolidated Financial Statements to PFRS 10, PFRS 12 and PAS 27:
Investment Entities

\mendments to PFRS 10 and PAS 28: Sale or Contribution of Assets between an
nvestor and its Associate or Joint Venture*

\mendments to PFRS 10: A I in the Consolidation Exce tion 'FRS
11 (Amended) loint Arran ements

\mendments to PFRS 1 1: Accounting for Acquisitions of Interests in Joint)
erations*

\mendments to PFRS 11: Annual Improvements to IFRS Standards 2015-2017 cle

'FRS 12

)isclosure of Interests in Other Entities to PFRS 10, PFRS 12 and PAS
27: Investment Entities

0-nendments to PFRS 12: Clarification of the Sco e of the Standard 'FRS 13

:air Value Measurement to PFRS 13: Short-term Receivables and
Pa ables fiendments to PFRS 13: Portfolio Exce tion 'FRS 14
Qe ulato Deferral Accounts* 'FRS 15
from Contracts with Customers*

'FRS 16
.ease
s*
'FRS
17
nsur
ance
C

Effective as of December 31 2017	Ado ted	Not Ado ted	Not licable
PHILLIPINE INTERNATIONAL ACCOUNTING STANDARDS			
PAS 1 (Revised) Presentation of Financial Statements			
Amendment to PAS 1: Ca ital Disclosures			
Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arisi on Li uidation			
Amendments to PAS 1: Presentation of Items of Other Com rehensive Income			
Amendments to PAS 1: Clarification of the Requirements for Comparative Presentation			
Amendments to PAS 1: Disclosure Initiative			
PAS 2 Inventories			
PAS 7 Statement of Cash Flows			
Amendments to PAS 7: Disclosure Initiative			
PAS 8 Accountin Policies, Chan es in Accountin Estimates and Errors			
PAS 10 Events after the Re ortin Period			
PAS 11 Construction Contracts			
PAS 12 Income Taxes			
Amendment to PAS 12 - Deferred Tax: Recove of Underl in Assets			
Amendment to PAS 12: Rec nition of Deferred Tax for Unrealized Losses			
PAS 16 Pro e , Plant and E ui ment			
Amendments to PAS 16 and PAS 38: Clarification of Acceptable Whods of De reciation and Amortization*			
Amendment to PAS 16: Revaluation Method - Proportionate Restatement of Accumulated De reciation			

Amendments to PAS 16 and PAS 41: Bearer Plants*			
PAS 17 Leases			
PAS 18 Revenue			
PAS 19 (Amended) Em 10 ee Benefits			
Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures			
Amendments to PAS 19: Defined Benefit Plans: Em 10 ee Contributions			
Amendments to PAS 19: Plan Amendment, Curtailment or Settlement*			
PAS 20 Accountin for Government Grants and Disclosure of Government Assistance			
PAS 21 The Effects of Chan es in Forei n Exchan e Rates			
Amendment: Net Investment in a Forei n O eration			
PAS 23 (Revised) Borrowin Costs			

%ective as of December 31, 2017 Ado ted Ado ted licable

PAS 24
(Revised)
Related Pa Disclosures

PAS 24: Ke Mana ement Personnel

'AS 26 and Re rtin b Retirement Benefit Plans Nil

'AS 27 (Amended)
Be arate Financial Statements to PFRS 10, PFRS12 and PAS27: Investment Entities to PAS 27: E ui Method in Se arate Financial Statements* 'AS 28 (Amended) nvestments in Associates and Joint Ventures to PFRS 10: Sale Contributions of Assets Between Investor and its of Joint Venture to PAS 28: A I in the Consolidation Exce tion

PAS 28: Measurin an Associate or Joint Venture at Fair Value

\mendments to PAS 28: Lon -term Interests in Associates and Joint Ventures 'AS 29

:inancial Re ortin in H erinflationa Economies 'AS
31 nterests in Joint Ventures 'AS 32
:inancial Instruments: Disclosure and Presentation

\mendments to PAS 32 and PAS 1: Puttable Financial Instruments and)bli
ations Arisin on Li uidation

\mendment to PAS 32: Classification of Ri hts Issues

\mendments to PAS 32: Offsettin Financial Assets and Financial Liabilities
\mendment to PAS 32: Tax Effect of Distribution to Holders of Equity
nstruments 'AS 33

Earnin s er Share
'AS 34 nterim
Financial Re ortin
\mendment to PAS 34: Interim Financial Reporting and Segment Information for rotal
Assets and Liabilities*

\mendments to PAS 34: Disclosure of Information Elsewhere in the Interim

:inancial Re
rt 'AS 36 m
airment of
Assets

\mendments to PAS 36: Recoverable Amount Disclosures for Non-Financial

\ssets

'AS 37
)rovisions, Contin ent Liabilities and Contin ent Assets

'AS 38
ntan ible
Assets

\mendments to PAS 38: Revaluation Method — Proportionate Restatement of
\ccumulated Amortization

\mendments to PAS 16 and PAS 38: Clarification of Acceptable Methods of

Effective as of December 31 2017	Ado ted	Not Ado ted	No licable
PAS 39 Financial Instruments: Reco nition and Measurement			
Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities			
Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			
Amendments to PAS 39: The Fair Value O tion			
Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			
Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			
Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets — Effective Date and Transition			
Amendments to Philippine Interpretation IFRlC-9 and PAS 39: Embedded Derivatives			
Amendment to PAS 39: Eli ible Hed ed Items			
Amendment to PAS 39: Novation of Derivatives and Continuation of Hedge Accountin			
PAS 40 Investment Pro e			

Amendments to PAS 40: Clarifying the Interrelationship between PFRS 3 and PAS 40 when Classifying Property as Investment Property or Owner-Occupied Pro e			
Amendment to PAS 40: Transfer of Investment Pro e			
PAS 41 A riculture			
Amendments to PAS 41: Bearer Plants			
PHILIPPINE INTERPRETATIONS			
IFRIC 1 Chan es in Existin Decommissionin , Restoration and Similar Liabilities			
IFRIC 2 Members' Share in Co-o erative Entities and Similar Instruments			
IFRIC 4 Determinin Whether an Arran ement Contains a Lease			
IFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			
IFRIC 6 Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic E ui ment			
'FRIC 7			
Applying the Restatement Approach under PAS 29 Financial Reporting in H erinflationa Economies			
IFRIC 8 sco eofPFRS 2			
FRIC 9 Reassessment of Embedded Derivatives			
Amendments to Philippine Interpretation IFRlC—9 and PAS 39: Embedded Derivatives			
Effective as of December 31 2017	Ado ted	Not do ted	A Not licab
IFRIC 10 Interim Financial Re rtin and 1m airment			
IFRIC 11 PFRS 2 - Grou and Treasu Share Transactions			
FRIC 12 Service Concession Arran ements			
FRIC 13 Customer Lo alt Pro rammes			
IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			

Amendments to Philippine Interpretations IFRIC - 14, Prepayments of a Minimum Fundin Re uirement			
FRIC 15 A reements for the Construction of Real Estate*			
IFRIC 16 Hed es of a Net Investment in a Forei no ration			
IFRIC 17 Distributions of Non-Cash Assets to Owners			
IFRIC 18 Transfers of Assets from Customers			
'FRIC 19 Extin uishin Financial Liabilities with E ui Instruments			
IFRIC 20 Stri in Costs in the Production Phase of a Surface Mine			
IFRIC 21 Levies			
IFRIC 22			
Forei n Currenc Transactions and Advance Consideration*			
IFRIC 23			
Uncertain over Income Tax Treatments*			
SIC-7 Introduction of the Euro			
SIC-IO Government Assistance - No S ecific Relation to O eratin Activities			
SIC-15 O eratin Leases - Incentives			
SIC-25 Income Taxes - Chan es in the Tax Status of an Enti or its Shareholders			
SIC-27 Evaluatin the Substance of Transactions Involvin the Le al Form of a Lease			
SIC-29 Service Concession Arran ements: Disclosures.			
SIC-31 Revenue - Barter Transactions Involvin Advertisin Services			
SIC.32 Intangible Assets - Web Site Costs			

*Not early-adopted.