



KofC Family... Our Concern

# Knights of Columbus

Fraternal Association of the Philippines, Inc.

## 2025 ANNUAL REPORT



**Reshaping the Financial Future  
of KofC Families:  
Going Beyond, Redefining Excellence**



## Azure Plus Series Plans

Formerly Blue Sapphire, the **Azure Plus Series Plans** is now made simpler, stronger, and more inclusive.

Open to all Brother Knights and their loved ones—spouse, children, grandchildren, parents, and siblings (ages 1 to 60). This enhanced plan offers a 10% boost in coverage, delivering greater protection and value for every Benefit Certificate holder.

A modern protection and savings solution built to support your goals—today and tomorrow.



**₱8,230,106**

Total Contributions Paid



**127**

Benefit Certificates Issued



**₱75,199,000**

Coverage Provided



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# Knights of Columbus

## Fraternal Association of the Philippines, Inc.

### QUALITY POLICY

The Knights of Columbus Fraternal Association of the Philippines, Inc. (KCFAPI), a mutual benefit association duly registered and operating under the laws of the Republic of the Philippines, is committed to provide optimum fraternal benefits to all its members and their immediate families within an environment constantly nourished by the cardinal principles of the Order of the Knights of Columbus –Charity, Unity, Fraternity and Patriotism.

### BC HOLDER FOCUS

Accordingly, KCFAPI is BC HOLDER Focused. Thus, it shall:

- Continuously raise its standards of performance and improve its systems to promote and achieve growth, progress and stability
- Fulfill its social responsibility for the good of the Order of the Knights of Columbus in the Philippines
- Strictly comply with pertinent and relevant statutory and regulatory requirements prescribed by the Government

### VISION

THE KCFAPI IS INSPIRED AND GUIDED BY THE FOLLOWING VISION:

To be the bridge that will effectively link the four geographically-distant Jurisdictions of the Knights of Columbus in the Philippines, in their mission to provide protection to Knights of Columbus members and their families in Luzon North, Luzon South, Visayas and Mindanao, thereby making them as one family in faith, hope and love.

### MISSION

To pursue and accomplish its Vision, the KCFAPI endeavors to fulfill this Mission that gives life and strength to the spirit and values of its acronym, thus:

- The Knights of Columbus Fraternal Association of the Philippines, Inc. is fully committed to provide optimum mutual benefits to all its members and their immediate families;
- Competent and relentless in its effort to achieve continuous growth, stability and efficient service, it will always remain results-oriented and completely committed to its assigned tasks;
- Fully aware of its moral and social responsibility, it contributes to membership development and worthy causes for the good of the Order of the Knights of Columbus and of the Philippines;
- Aspiring with renewed enthusiasm to be a premier mutual benefit association, it shall exemplify the highest standards of integrity and professionalism in its service;
- Perpetually inspired and directed by its Founders and Board of Trustees, it highly regards and is proud of its dynamic, committed, dedicated and loyal management, staff and field representatives as its valued resources; and
- Imbued with the principles of Charity, Unity, Fraternity and Patriotism, it maintains utmost flexibility in meeting the demands of the times as it stands resolutely firm in the pursuit of its avowed mission and objectives.

# CHAIRMAN'S MESSAGE

As we close another meaningful year for KCFAPI, I am filled with deep gratitude and renewed optimism as we reflect on our milestones in service of Brother Knights and their families.

In 2025, KCFAPI, marking its 68th year since incorporation in 1958, achieved a milestone of P8.28 Billion in total assets. This milestone underscores decades of prudent stewardship, effective governance, and steadfast dedication to our mission. Our growth from an initial capitalization of just P32 Thousand is evidence of financial resilience and the trust and fraternal spirit that continue to define our Association.

This achievement was made possible through the collective efforts of our Board of Trustees, officers, management team, employees, Fraternal Counselors, Area Managers, and Brother Knights who continuously embody the principles of Charity, Unity, Fraternity, and Patriotism in their service. Together, we remain steadfast in our commitment to provide financial security, protection, and peace of mind to Knights of Columbus families across the country.

As we celebrate this growth, we remain guided by our responsibility to those we serve. In 2025 alone, KCFAPI paid out over P590 million in claims and benefits, providing timely assistance and compassionate support to our members and beneficiaries during life's difficult moments. These figures go beyond financial transactions—they reflect our commitment to uplifting lives, strengthening families, and fulfilling our promise of fraternity through meaningful service.

As Chairman, I am inspired by the progress we have made to advance our organization. Notably, we have fortified OneKCFAPI—a strategic undertaking that encourages greater collaboration, alignment, and synergy among KCFAPI, its subsidiaries, and foundations. By adopting an integrated, member-focused strategy, we optimize service delivery, improve operational efficiency, and prioritize our stakeholders' needs in all that we do.

Acknowledging the importance of good governance and careful stewardship, we have strengthened our institutional foundations by creating the Investment Committee and the Audit Committee. These committees ensure sound financial management, transparency, accountability, and the safeguarding of the Association's assets and resources. Through these measures, we reinforce the trust bestowed upon us and position KCFAPI for sustained, responsible expansion.

Beyond financial and organizational achievements, we remain deeply rooted in our Catholic faith, recognizing that our greatest strength lies not only in our resources but in our unwavering commitment to place God at the center of all our endeavors.

In this regard, I express my full support for the establishment of the National Cor Institute for Faith Formation, an important initiative of the Knights of Columbus State Councils that seek to deepen the spiritual formation of Brother Knights and their families. In a world that increasingly challenges our values and priorities, this initiative serves as a meaningful reminder of our shared mission to strengthen our faith, enrich family life, and inspire greater service to others.

As Knights of Columbus, we recognize that families are the first schools of faith. By nurturing homes grounded in prayer, love, and Christian values, we build stronger communities founded on compassion, fraternity, and hope. Through initiatives such as the National Cor Institute, we are reminded that authentic faith extends beyond personal devotion—it calls us to serve, uplift the marginalized, and become instruments of God's love in our communities.

Looking ahead, we remain committed to strengthening and expanding the reach of our insurance, financial, and support services to more Brother Knights and their families nationwide. By increasing awareness and accessibility to KCFAPI and its subsidiaries' programs and services, we aspire to empower more families to secure their futures and experience the peace of mind that comes with fraternal protection.

In 2026, we will celebrate a meaningful milestone honoring service excellence within our organization as we commemorate the 50th year of the Annual Family Service Awards. In reaffirming our commitment to mission-driven service, this recognition has evolved into the Fr. George J. Willmann, SJ Award of Excellence, honoring those who exemplify integrity, dedication, and exceptional service to the Order and its members. Through these recognitions, we continue to inspire a culture of excellence rooted in faith, fraternity, and purpose.

As we advance, we face the future with confidence, humility, and hope. We are called not only to strengthen financially, but also to deepen our faith, unify, and cultivate an Association responsive to the evolving needs of Brother Knights and their families.

On behalf of the Board of Trustees, I express my sincere gratitude to every Brother Knight, officer, employee, and Sales Force who sustains KCFAPI's mission. I urge everyone to engage in our initiatives, advance our programs, and reinforce our shared dedication to building a secure, compassionate, and hopeful future for generations to come.

VIVAT JESUS! AVE MARIA!



**Danilo A. Sanchez**  
Chairman of the Board

# 2025 PRESIDENT'S REPORT

As we commemorate the 67th Founding Anniversary of the Knights of Columbus Fraternal Association of the Philippines, Inc. (KCFAPI), I am honored and humbled to present the milestones, achievements, and meaningful progress that shaped our journey in 2025. Guided by this year's corporate theme, "Reshaping the Financial Future of K of C Families: Going Beyond, Redefining Excellence," the Association embraced the challenge of elevating our service, strengthening our foundations, and pursuing greater impact in the lives of Brother Knights and their families.

The year 2025 marked a period of purposeful transformation and renewed commitment. In an evolving economic and financial environment, KCFAPI remained steadfast in its mission to safeguard the financial security of K of C families while continuously enhancing the value of the protection, services, and opportunities we provide. We recognized that reshaping the future requires not only resilience and innovation, but also the courage to go beyond traditional ways of serving and the discipline to redefine excellence in everything we do.

Throughout the year, the Association strengthened its operational capabilities, governance practices, digital initiatives, and people development programs to better position KCFAPI for sustainable growth and long-term relevance. Through the continued advancement of OneKCFAPI, we reinforced stronger collaboration among the Association, its subsidiaries, and foundations, working together with one purpose, one mission, and one commitment: to provide responsive, efficient, and member-centered service to our Benefit Certificate Holders nationwide.

This year also reflected the strength of prudent stewardship and collective dedication. Through sound governance, responsible financial management, and the unwavering support of our Board of Trustees, officers, employees, sales force, and stakeholders, KCFAPI continued to strengthen its financial position and organizational resilience. More importantly, our accomplishments allowed us to further deepen our commitment to the Brother Knights and their families whom we are privileged to serve.

Beyond operational and financial milestones, 2025 became a year of investing in our people, reinforcing leadership, promoting employee well-being, enhancing member engagement, and strengthening organizational readiness for the future. As an Association founded on faith, fraternity, and service, we remain committed to pursuing meaningful innovations and sustainable initiatives that create lasting value for generations of K of C families.

As we reflect on our accomplishments, we do so with profound gratitude for the trust and confidence entrusted to us, humility for how far we have come, and



# 2025 PRESIDENT'S REPORT

renewed determination for the road ahead. With faith as our foundation and excellence as our commitment, KCFAPI will continue going beyond and redefining excellence as we reshape the financial future of every K of C family we are called to serve.

## KCFAPI OPERATIONS AND FINANCIAL HIGHLIGHTS

For the year 2025, the Association's 67th year of delivering fraternal service to the Brother Knights and their families in strengthening the security of their financial future, the Association generated an Excess of Revenues over Expenses (EROE) before Participation to BC Holders amounting to P74.30 Million.

The EROE is generated from the surplus in the Association's revenue totaling P1.25 Billion streaming from the P857.71 Million Underwriting Revenue and P395.86 Million Net Investment Income. The latter was reduced by Expenses totaling P1.16 Billion incorporating Underwriting Deductions of P967.84 Million and P187.81 Million Operating Expenses. Furthermore, Non-recurring accounts for the year resulted to a reduction in EROE amounting to P23.62M which mainly consist of Unrealized Loss or "Paper Loss" on Investments in Fair Value through Profit or Loss Investments due to market volatility due to increasing interest rates and persistent inflation resulting to decrease in stock prices. Nonetheless, the Association has irrefutable confidence that the "Paper Loss" can be recovered in 2026 through the sound investment plan, optimal portfolio management, or a prudent asset allocation designed by the Investment Team.

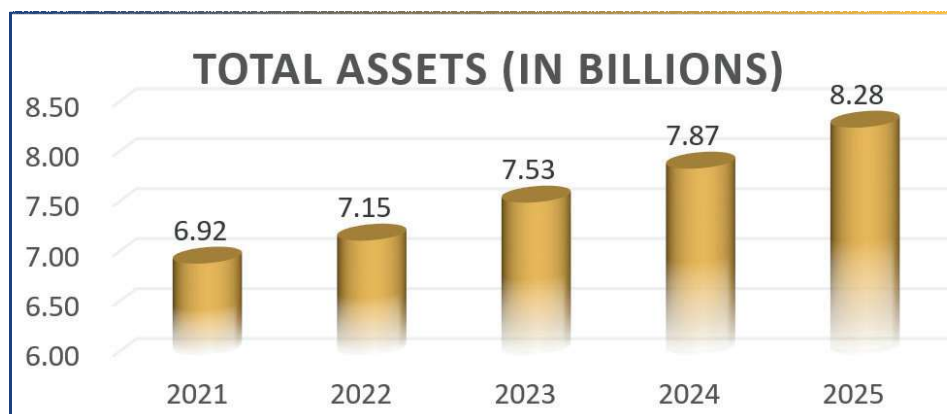
In point of fact, excluding the effect of the "Paper Loss" which is generally beyond the control of the Association, the Association's EROE would have been P99.95 Million, 17.29% or P14.74 Million higher than last year's audited results underscoring the Associations continuous growth in terms of its operational results.

In terms of Investment Yield, the Association is greatly affected by the downward trends in the investment market caused by domestic shocks, weaker global investments and soft global demand weighted on growth. In 2025, the Association's Investment Yield is at 5.43% which is down by 0.23% than 2024. Nonetheless, the 2025 Investment Yield is higher than the 4.5% key reverse purchase rate by the BSP in December 2025 showing a stable Investment Portfolio of the Association.

The Association's Risk Based Capital (RBC) Ratio is 178.30% as we close the year 2025. There is an increase of 5.30% from last year's 173% as verified by the Insurance Commission, where the requirement is at least 125%. The data shows strong stewardship of KCFAPI to the resources of the Benefit Certificate Holders ensuring its liquidity and solvency.

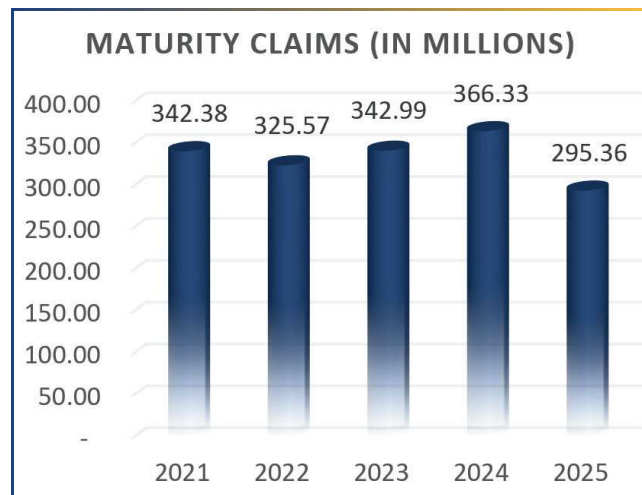
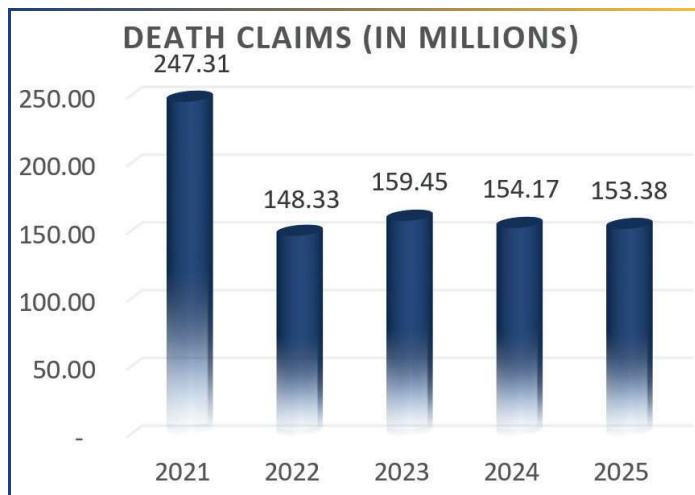
## TOTAL ASSETS

In the year 2025, the Association have reached another remarkable milestone in achieving the Eight (8) Billion Peso mark in terms of its Total Assets. From the year 2021, Total Assets increased by P1.36 Billion or almost 20%. While in the year 2025 alone the increase in Total Assets



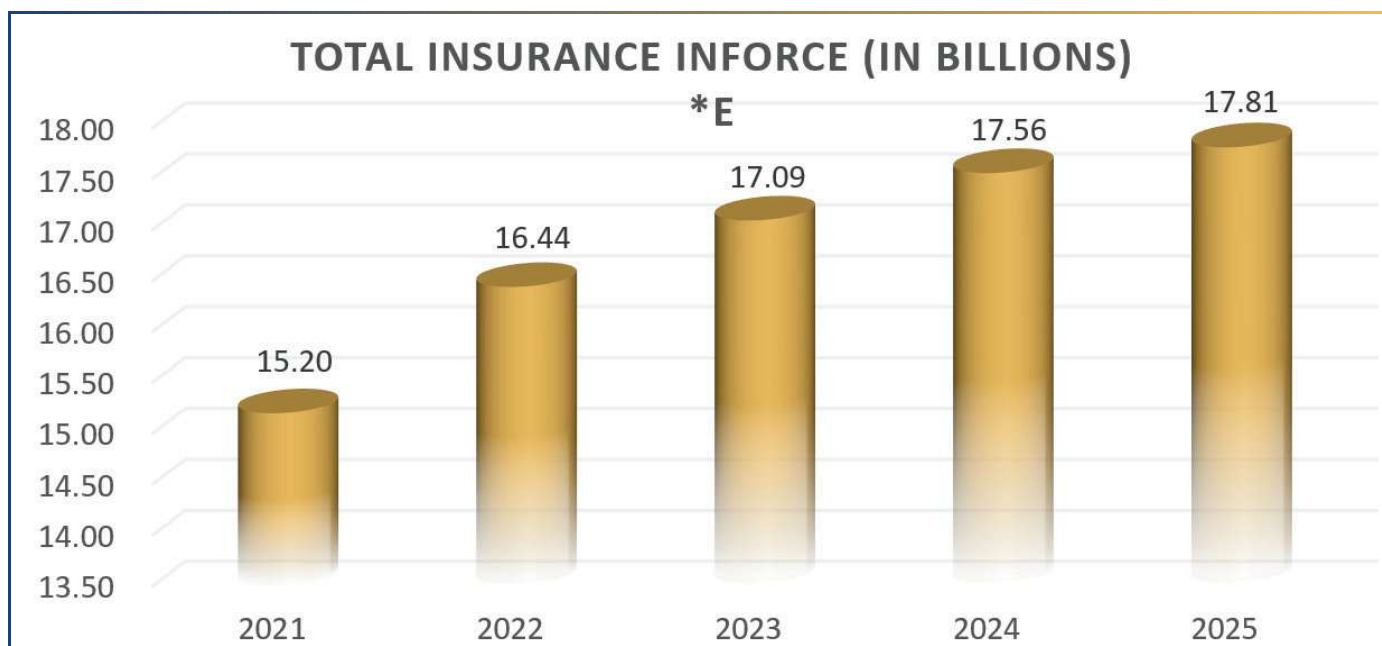
# 2025 PRESIDENT'S REPORT

amounted to P410 Million or 5.2% showing the Association's resilience and flexibility in adopting with the demands of the time.



## DEATH AND MATURITY CLAIMS

In 2025, the Association stands true to its mission to provide financial security to the insured members of KofC and their families by providing PhP153.38 million in Death Benefits and PhP295.36 million in maturity benefits to Benefit Certificate Holders.



\*excluding Group Personal Accident

## TOTAL INFORCE INSURANCE

As the Association close its 67th year, total Insurance Inforce continuously grow over the years with P17.81

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Billion in face amount. In the year 2025, a P250 Million or 1.44% growth from the P17.56 Billion amount in 2024. A strong indication of KofC Members patronage of the products it offers with its mission to secure the financial future of their families.

## BC HOLDER FOCUS

In its 67th year, KCFAPI continued to strengthen its commitment to member protection by providing additional insurance coverage to a total of 5,870 lives in 2025, further expanding its reach by covering 2.80% more lives through its regular benefit certificates. In terms of CMBP, an additional of 9,468 individuals were insured under the Council Mortuary Benefit Plan (CMBP), reinforcing the Association's dedication to delivering comprehensive and accessible protection to its members.

In 2025, 409 benefit certificates were successfully reinstated or revived from Lapsed or Terminated status, generating total contributions amounting to P4,488,105.38. This accomplishment was driven by the proactive efforts of dedicated personnel who provided timely assistance throughout the reinstatement process. To better respond to the evolving needs of members, the Association also adopted more flexible reinstatement requirements, ensuring continued support for benefit certificate holders amid changing circumstances.

To enhance overall service delivery, the Association launched targeted campaigns and communications promoting the use of the KCFAPI online portal, enabling members to conveniently access information, file selected benefit claims, and make payments through digital channels. As a result, a total of 1,184 portal registrations were received and processed during the year, reflecting increased member engagement with digital services.

Moreover, communication efficiency was strengthened through the implementation of a centralized inquiry handling system under the Business Relations Assistance Department (BRAD), streamlining interactions between the Association and its internal and external stakeholders.

Finally, to ensure that member feedback remains at the core of its operations, the Association introduced a centralized survey system. This initiative serves as a vital tool in guiding continuous improvements in products and services, reaffirming KCFAPI's commitment to responsiveness and excellence.

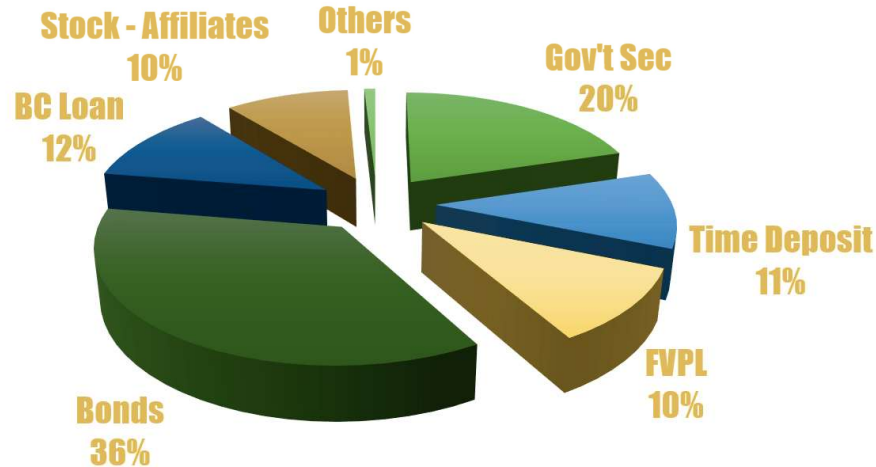
## FINANCE AND INVESTMENT

The year 2025 was both colorful and challenging due to some interest volatilities and economic headwinds generally influenced by Trump's imposed global trade taxes and the flood control scandal from the domestic end. Despite the various financial constraints, KCFAPI investment portfolio remained fundamentally sound and robust resulting to annual investment yield of 5.84%, 0.06% higher compared from the 2024 investment yield of 5.78%. A big part of this investment income is from the fixed-income securities which modestly increased throughout the year. The BSP cut a total of 125bps, bringing down the rate to 4.5% at the end of the year, subsequently, resulted to an average inflation rate of 1.7%.

KCFAPI was able to strategically took advantage of better rates by locking its investments from mid to long terms before interests gradually went down. KCFAPI invested to several big-name companies' bond issuances with the total amount of P602.81 Millions and various preferred shares issuances totaling to P692.64 Millions.

## 2025 PRESIDENT'S REPORT

# INVESTMENT PORTFOLIO



■ Gov't Sec ■ Time Deposit ■ FVPL ■ Bonds ■ BC Loan ■ Stock - Affiliates ■ Others

KCFAPI continued to invest in short-term promissory notes and commercial papers of fundamentally reputable and stable companies. The portfolio shows a balanced investment mix in accordance with the approved Investment Guidelines of KCFAPI where corporate bonds comprised of 35.85%, government securities at 20.26%, time deposits with banks at 10.92% (for our liquidity requirements), benefit certificate loans of 11.58% (benefits enjoyed by KCFAPI BC Holders), preferred and equity shares of 10.54% and investments in affiliates of 9.97%, and Others of 0.89% consisting of cash in banks.

Total net investment income for 2025 was P395.86 Millions, which increased by P20.41 Millions or 5.44 % from the previous year's net investment earnings of P375.45 M. The investment portfolio of KCFAPI grew by 8.26% from P7.30 Billions in 2024 to P7.90 Billions. The total investment portfolio represents 95.45% of KCFAPI's audited total resources of P8,280,203,555.

The Risk Based Capital ratio (RBC) measures the ability of the Association to pay its claims and maturities. In 2025, KCFAPI's RBC was at 178.30%, 5.3% higher compared to 2024 at 173%. The standard RBC requirement by the Insurance Commission is not less than 125%, thus, KCFAPI is compliant. It confirms the quality of fund assets and investments of KCFAPI which are generally rated A or better.

KPMG R.G. Manabat and Company audited the financial statements of KCFAPI and has issued an unqualified opinion stating that "the accompanying financial statements present fairly, in all material respects, the financial position of Knights of Columbus Fraternal Association of the Philippines, Inc. as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended are in accordance with Philippine Financial Reporting Standards (PFRS)."

The professional fee paid to the external auditor was P1,210,000. There were no non-audit engagements with the firm and no non-audit engagement fees were paid. Hence, no other fees were paid except for the professional fees.

No mergers and acquisitions and or takeovers were made by KCFAPI in 2025.

# WHOLLY-OWNED AND MAJORITY OWNED COMPANIES AND FOUNDATIONS



## KEYS REALTY AND DEVELOPMENT CORPORATION (KRDC)

Keys Realty and Development Corporation's performance for 2025 reflected a slowdown in operations, characterized by a slight decrease in revenues and modest increases in cost of sales and services, as well as operating expenses.

Amount in Millions	2025	2024	Inc (Dec)	%
<b>Revenues</b>	79.99	81.18	(1.19)	(1%)
<b>Cost of sales and services</b>	22.41	22.27	0.14	1%
<b>Operating expenses</b>	54.24	53.72	0.52	1%
<b>Provision for income tax</b>	0.53	1.60	(1.07)	(67%)
<b>Net income</b>	2.81	3.60	(0.79)	(22%)
<b>Total assets</b>	954.94	942.23	12.71	1%
<b>Property appraisal increase</b>	10.57	76.76	(66.19)	(86%)

The Company generated total revenues of ₱79.99 million in 2025, representing a 1% decrease from ₱81.18 million in 2024. The decline was primarily attributable to lower revenues generated from real estate sales. Despite improvements in other core revenue streams, the significant reduction in real estate income weighed on overall revenue performance.

Amount in Millions	2025	2024	Inc (Dec)	%
<b>Mortuary services</b>	49.46	47.87	1.59	3%
<b>Rental income</b>	18.54	18.47	0.07	0.4%
<b>Hotel rooms income</b>	5.88	6.04	(0.16)	(3%)
<b>Real estate income</b>	0.64	2.29	(1.66)	(72%)
<b>Total Revenues</b>	<b>74.51</b>	<b>74.68</b>	<b>(0.17)</b>	<b>(0.2%)</b>

Income from mortuary services increased by 3%, driven by higher contract prices of cases despite a 7% decrease in the total number of cases served in 2025, with 510 cases compared to 550 cases in 2024. Rental income increased slightly by 0.4%, primarily due to tenant movements and rental escalations. Hotel room income declined by 3% as hotel occupancy rates decreased by 1% during the year. Real estate sales in 2025 consisted mainly of memorial lots and columbarium vaults, compared to the sale of condominium units in 2024. This difference in sales component resulted in a 72% decrease in real estate income.

Cost of sales and services and operating expenses both increased by 1%. The significant property appraisal increases resulting from the 2024 revaluation led to higher depreciation expenses in 2025.

Although revenues decreased slightly by 1% while expenses increased by 1%, net income for the year declined by 22%, primarily due to the tax impact associated with the appraisal of properties.

As of 2025, the Company's total assets increased by ₱12.71 million, or 1%, compared to the prior year. Approximately 86% of total assets consist of real estate properties held for lease and operational use. The increase in total assets was mainly attributable to the appraisal increase in properties amounting to ₱10.57 million in 2025. Depreciation expense related to these properties accounted for approximately 17% of total cost of sales and services and operating expenses.

Despite the 22% decrease in net income, the Company continued to generate positive cash flows from operations. Cash and short-term investments, which represented 10% of total assets, increased by 4% in 2025.



## KOMPASS CREDIT AND FINANCING CORPORATION (KCFC)

Kompass Credit and Financing Corporation (KCFC) is a wholly-owned and majority-owned company of the Knights of Columbus Fraternal Association of the Philippines, Inc. (KCFAPI), which continuously offers housing and business loans secured by real estate collaterals, as well as auto loans to the members of the Order, their immediate families and the general public.

Kompass Credit and Financing Corporation (KCFC) celebrated its 11th Anniversary last March 13, 2025.

In 2025, KCFC continues its mission and vision to be the guide for the financial needs, ensuring K of C members, their immediate families and the public and businesses alike had access to the funding they needed to turn aspirations into reality. Whether helping families secure their dream homes, supporting entrepreneurs in growing their ventures, or assisting clients in purchasing their ideal vehicles, we remained committed to being a reliable financial partner.

KCFC's revenue saw steady growth, a testament to our strategic initiatives and operational excellence. We also maintained a strong portfolio balance, ensuring our home, business, and car loans met diverse customer needs.

Beyond financial figures, 2025 was about transformation. We expanded partnerships, strengthened our commitment to sustainable financing, and continually enhanced customer satisfaction. As we step into 2026, KCFC envisions the future with optimism and a renewed dedication to financial accessibility. We will continue to innovate, expand, and serve, ensuring that every loan we provide contributes to a brighter future for our customers and communities.

In its 11th year, it has a total asset of ₱ 690.78M, total shareholder's equity of ₱ 684.18M, with total revenues of ₱ 47.93M and net income of ₱ 23.39M. For 2025, KCFAPI continuously supports the approved capital funding of KCFC to address the growing opportunities in the financing industry with its competitive interest rates and flexible terms.



**MACE INSURANCE  
AGENCY, INC. (MIAI)**

This year has been marked by both challenges and opportunities, and through resilience, innovation, and commitment to service, our agency continues to grow and strengthen its position in the insurance agency especially because of OneKCFAPI.

In 2025, Mace Insurance Agency, Inc.,

demonstrated steady growth across its core business lines. Despite competitive market and evolving client needs, we successfully expanded our portfolio and maintained strong client relationships especially in Visayas and Mindanao jurisdiction.

**Key highlights include**

- Increase client acquisition and retention rates
- Growth in non-life insurance products such as motor, fire, and personal accident
- Strengthened partnership with our insurance providers
- Improved customer service response time and satisfaction

Our performance reflects the dedication of our team and the trust of our clients.

**Operational Developments**

This year, we focused on enhancing operational efficiency and digital transformation, which includes:

- Implementation of improved client management systems
- Streamlining of policy processing and claims assistance
- Strengthening our online presence to better serve clients

These efforts allowed us to deliver faster, more reliable services and adapt to the growing demand for digital accessibility.

**Financial Summary**

While maintaining financial stability, the company achieved modest revenue growth compared to the previous year. Cost management strategies were implemented to ensure sustainability and profitability.

We remained committed to prudent financial management and continuous improvement in our operations.

**Challenges and Opportunities**

The insurance industry in 2025 faced several challenges: increasing competition among agencies, new and changing regulatory requirements, growing client expectations for faster and more digital services. However, these challenges also opened opportunities for

innovation, service improvement, and expansion into new markets.

**Our People**

Our employees remain the backbone of Mace Insurance Agency, Inc. Their dedication, professionalism, and commitment to excellence drive our success. We continue to invest in training and development to ensure our team remains competitive and capable of delivering high-quality service.

**Outlook for 2026**

Looking ahead, we aim to: Expand our client base and product offerings, Enhance digital services and online transactions, strengthen partnership with our insurance providers, continue delivering reliable and client focused solutions.

We are optimistic about the future and confident in our ability to achieve sustained growth.

In closing, I would like to express my sincere gratitude to all clients, partners, Brother Knights and employees for their continued trust and support. We will continue to build a stronger and more resilient Mace Insurance Agency, Inc.



**KNIGHTS OF COLUMBUS FR. GEORGE J. WILLMANN CHARITIES, INC. (KCFGJWCI)**

IS one of the corporate social responsibility arm of the KCFAPI which provide grants to Diocesan seminarians seeking priestly vocations and scholarships for priests wishing to undertake licentiate studies both local and in Rome.

In 2025, the Foundation has approved four (4) Priest Rome-scholars, each representing the four (4) jurisdictions of the Knights of Columbus in the Philippines. They are Rev. Fr. June Caesar S. Ragonjan from the Diocese of Laoag, Rev. FR. Flordelito C. Dador, Jr. from the Diocese of Pasig, Rev. Fr. Aaron L. Peñaranda from the Diocese of Calbayog, and Rev. Fr. Coke Daryl S. Prieton from the Archdiocese of Cagayan de Oro. We pray for their safety and success in this journey.

<b>Graduated Scholars as of SY 2024-2025</b>	
Ordained Priest (Theology)	227
Ordained Deacons (Theology)	3
Advance Studies - Local	43
Advance Studies - Rome	39
Theology Graduate (Waiting for Ordination)	12
<b>TOTAL</b>	<b>324</b>

The Foundation is proud of its newly-ordained scholars.

- **Rev. Jess Violet A. Lamban** from the Diocese of Maasin was ordained Deacon last March 19, 2025 at the Maasin Cathedral Shrine, Maasin City.
- **Rev. Fr. Buena P. Flores, Jr.** from Diocese of San Carlos was ordained as Priest last April 21, 2025 at the Our Lady of Peach Parish, Escalante City, Negros Occidental.

Last September 15, 2025, we have celebrated the 48<sup>th</sup> Death Anniversary of the Servant of God Fr. George J. Willmann with a Holy Mass held at the San Agustin Church, presided by Bishop Ruperto Santos, Diocese of Antipolo. In line with the Founding Anniversary Celebration of the Association, the Cause of Fr. Willmann showcased an exhibit with the theme "Pilgrims of Hope: Empowering the Youth through the legacy of Fr. George J. Willmann, SJ." highlighting the two youth organizations established in the Philippines: The Catholic Youth Organization and Columbian Squires.



**KC PHILIPPINES FOUNDATION, INC. (KCPFI)**

The other social responsibility arm, established in October 1970, has been providing scholarship grants to poor but deserving children of KC Members pursuing collegiate studies, as mandated by its accreditation with the Department of Science and Technology. In school year 2025-2026, it supported 71 college scholars, 36 of which are subsidized by the Knights of of Columbus -Supreme Council through the Foundations.

Below is the 2025 list of graduated scholars of KCPFI

<b>Graduated Scholars as of SY 2024-2025</b>	
Collegiate Scholars – KCPFI	229
Collegiate Scholars – Supreme Council	287
Vocational Scholars	114
High School	1
<b>TOTAL</b>	<b>531</b>

As a certified Science Foundation, the KC Philippines Foundation, Inc. in collaboration with the Department of Science and Technology (DOST), signed a Memorandum of Agreement last May 27, 2025 at the KCFAPI Board Room. Both parties have agreed to deploy and implement a 21<sup>st</sup> Century Learning Environment Model at the Justice Cecilia Muñoz Palma Senior High School in AMLAC Ville, Payatas, Quezon City. This 21<sup>st</sup> CLEM Classroom is equipped with facilities designed to promote collaborative teaching and learning through education, information, communication and creative immersive technologies that bridge the technological gap between teachers and students.

In 2025, the Foundation has also applied for the "Tax Exempt Status" at the Bureau of Internal Revenue District Office 033 in partnership with the Sycip Gorres Velayo & Co., as they have also provided their services in attaining the same certification with the KCFGJWCI.

#### **Update on the Cause of Beatification and Canonization of the Servant of God Fr. George J. Willmann, Professed Priest of the Society of Jesus. (2025)**

- **Historical Commission Report and Tribunal Hearing of the Members of the Historical Commission**

The Historical Commission, which is responsible for gathering historical data related to the Cause for evaluation and assessment, has been working on its report subject for submission to the Tribunal Office. The commission's report is significant for the Cause to progress. The commission will also undergo a Tribunal hearing, which will help extract its findings. The commission plays a vital role in the Cause to progress.

- **Promotion Effort**

Promotional initiatives for the "fame of sanctity" of the Servant of God in the parishes were conducted at the Chapel of San Lazaro as one of the Jubilee Churches under the Archdiocese of Manila and at the Fr. Willmann Chapel during Holy Week. Part of this work is sharing pieces of information about the Servant of God, and the distribution of prayer cards and other materials to parishioners and tourists. This initiative is to introduce the life and works of Fr. Willmann to a wider member of the Catholic church.

Aside from the church activities, different promotions were also conducted during the activities of the four KC State Councils, namely, Mid-Year Meetings, State Conventions, and District Deputies Organizational Meetings. The Cause also initiated an "Orientation on the Cause of Sainthood of Servant of God, Fr. George J. Willmann, SJ" to the employees of KCFAPI Group. These promotions help the Cause to reach all members of the order, their family members, and loved ones.

- **Fr. George J. Willmann, SJ Archives**

Archives play a crucial role in the Cause of Sainthood. It provides essential documents and information about the candidate for sanctity. Archives serve as repositories of information necessary for the process. This may include: historical context, character traits, and the authenticity of documents.

The Fr. George J. Willmann, SJ Archives has cataloged 189 Published Writings and 317 Unpublished Writings of the Servant of God. The digital copies of these documents were provided to the Historical Commission and Theological Censor. The archives store 6,899 both physical and digital copies.

## GOOD CORPORATE GOVERNANCE

For 67 years, KCFAPI has always been consistent with its mandate to good corporate governance standards, without deviating from the cardinal principles of the Order of the Knights of Columbus – charity, unity, fraternity, and patriotism.

Back in 2022, KCFAPI was recognized by the ACGS as a top-performing insurance company and a top performing Mutual Benefit Association. In the same year, KCFAPI was also recognized as the most improved insurance company in the country. In recognition of its continuing efforts in upholding good corporate practice, KCFAPI was awarded with its 3rd Golden Arrow Award last September 2024. This year, KCFAPI is aiming to achieve yet another Golden Arrow Award from the ASEAN Corporate Governance Scorecard (ACGS).

## THE KCFAPI BOARD OF TRUSTEES

The KCFAPI Board of Trustees is composed of distinguished leaders of the Order who provide strategic direction, policy oversight, and governance guidance to the Association. Collectively, the Board possesses extensive leadership experience, professional expertise, and a strong commitment to ethical governance and fiduciary responsibility.

In ensuring objectivity and independence in Board deliberations, no incumbent trustee is affiliated with any life insurance company during his tenure, thereby preventing potential conflicts of interest. The Board is likewise composed of dedicated fraternalists, including five (5) non-executive independent trustees who maintain no material interest in the Association, reinforcing transparency, accountability, and impartial oversight in governance matters.

## BOARD CHARTER

The Knights of Columbus Fraternal Association of the Philippines, Inc. was established through the contributions of its Founder Members, who are recognized as the original stakeholders of the Association. Ownership rights were subsequently assigned and vested to the Founder Members’

Committee (FMC), which continues to exercise ownership and governance oversight over the Association. As the voting body of the Association, the FMC elects the members of the Board of Trustees from among the Founder Members or regular non-voting members of the Association. Trustees are expected to exercise independent judgment and are selected based on their integrity, competence, and ability to act in the best interest of the Association, free from any business or professional relationship that may materially interfere with the exercise of objective decision-making.

Except for State Deputies, whose term is coterminous with their appointment as State Deputy, elected members of the Board of Trustees serve a term of three (3) years and shall hold office until their successors are duly elected and qualified. Independent Trustees may serve for a cumulative term of up to nine (9) years, after which they are permanently disqualified from re-election as Independent Trustees but may qualify for election as non-independent trustees, subject to applicable regulations. Trustees may resign at any time through written notice to the Chairman of the Board and the Corporate Secretary, with such resignation taking effect upon acceptance by the Board. In addition, Trustees are expected to disclose and notify the Board prior to accepting trusteeship or directorship positions in other organizations to ensure transparency and proper governance oversight.

The election of members of the Board of Trustees by the FMC during the Annual Meeting held on July 4, 2025, was conducted in accordance with the Association’s governing rules and procedures, with the process and results duly documented in the Minutes of the Annual Meeting.

The FMC appoints the Chairman of the Board and the members of the Board of Trustees in accordance with applicable rules and regulations, while the President/Chief Executive Officer is elected from among the incumbent members of the Board. To promote effective governance and accountability, the roles of the Chairman and the President/Chief Executive Officer are held by separate individuals, each with clearly defined responsibilities and accountabilities.



*2025 OneKCFAPI Christmas Party*

Consistent with the Association's fraternal and non-profit-oriented principles, members of the Board of Trustees, including the President/Chief Executive Officer, do not receive remuneration, stock options, performance-based incentives, or bonuses. Trustees may, however, be reimbursed for reasonable and actual expenses incurred in the performance of their official duties. Compensation arrangements are designed to preserve objectivity and ensure that Trustees remain free from incentives that may influence independent judgment or governance responsibilities.

The Board of Trustees convenes regular meetings on a monthly basis, with Trustees expected to attend at least seventy-five percent (75%) of all Board meetings annually. A quorum consists of at least two-thirds (2/3) of the total number of Trustees as provided in the Articles of Incorporation, with the presence of an Independent Trustee required in accordance with governance standards. Board resolutions are approved by at least two-thirds (2/3) vote of the members of the Board. Meetings are presided over by the Chairman of the Board, while Board Committees convene regularly to support the effective discharge of governance functions. Committee members are expected to attend meetings as required, with the Audit Committee meeting at least four (4) times annually.

In fulfilling its fiduciary duties, the Board of Trustees exercises oversight and strategic direction to promote the long-term sustainability, stability, and competitiveness of the Association while safeguarding the interests of stakeholders. To further strengthen governance, selected Trustees are designated to lead Board Committees that support oversight

functions and assist the Board in achieving the Association's strategic and operational objectives.

## **BOARD COMMITTEES**

### **AUDIT COMMITTEE**

The Audit Committee was established to provide independent oversight over the Association's financial reporting process, system of internal controls, risk management framework, compliance mechanisms, and governance processes. The Committee assists the Board of Trustees in fulfilling its oversight responsibilities by ensuring the adequacy and effectiveness of internal control systems, ethical standards, regulatory compliance, and accountability mechanisms across the Association.

The Committee provides independent and objective guidance to the Board on matters relating to organizational governance, risk management, fraud prevention, compliance, and the integrity of financial and operational controls. It likewise oversees the effectiveness and independence of the internal audit function, including the approval and monitoring of the internal audit charter, annual audit plans, audit resources, performance of the Chief Audit Executive, audit engagements, and the timely resolution of audit findings and recommendations.

In relation to external assurance, the Audit Committee engages with the Association's external auditors during the planning and completion stages of the audit process, including the review of audited financial statements, audit observations, and management action plans. The Committee ensures that significant audit findings, particularly those involving internal controls, legal and regulatory compliance, financial reporting, and ethical matters, are properly addressed by Management.

Furthermore, the Audit Committee is responsible for recommending to the Board the appointment, reappointment, removal, and compensation of the external auditor, while safeguarding auditor independence and objectivity. Any change or removal of the external auditor is disclosed in accordance with applicable regulations and governance disclosure requirements.

For the year 2025, the Audit Committee continued to discharge its oversight functions in support of sound governance, transparency, and accountability within the Association. The Committee is chaired by Bro. Lauro A. Patiag, Lead Independent Trustee.



*2025 OneKCFAPI Christmas Jingle-Making Competition*

### **CORPORATE GOVERNANCE COMMITTEE**

The Corporate Governance Committee assists the Board of Trustees in strengthening and sustaining a culture of good governance throughout the Association. The Committee provides oversight on the implementation and continuous enhancement of KCFAPI's corporate governance framework, ensuring adherence to established governance principles, applicable regulations, and the provisions of the Association's Revised Manual of Corporate Governance. For the year 2025, the Committee is headed by Bro. Armando V. Abarquez, Independent Trustee.

Guided by the principles of accountability, transparency, fairness, integrity, independence, ethical conduct, long-term sustainability, and social responsibility, the Committee supports the Board in promoting sound governance practices and reinforcing stakeholder confidence. It periodically reviews the Association's Revised Manual of Corporate Governance and related policies to ensure continued relevance, responsiveness to organizational developments, and alignment with evolving governance standards and regulatory requirements.

The Committee also oversees the Association's adherence to its Vision, Mission, and Corporate Values, ensuring that governance practices remain aligned with strategic objectives approved by the Board

of Trustees. In coordination with Management, it supports the establishment of governance mechanisms that facilitate the effective execution of the Association's strategic priorities and long-term objectives.

In addition, the Corporate Governance Committee promotes organizational continuity and governance stability through succession planning and policy oversight. It ensures that the Association operates within the framework of Board-approved policies and remains compliant with applicable Philippine laws, regulatory requirements, and recognized governance standards, thereby strengthening accountability, transparency, and sustainable stewardship.

### **RELATED PARTY TRANSACTIONS COMMITTEE**

The Related Party Transactions (RPT) Committee was established to strengthen governance, transparency, and accountability in the management and oversight of related party transactions within the Association. The Committee assists the Board of Trustees in ensuring that all related party transactions are conducted on an arm's length basis, under fair and transparent terms, and in the best interest of the Association and its stakeholders. For the year 2025, the Committee is headed by Bro. Brigido C. Gonzales, Independent Trustee.

The Committee is primarily responsible for reviewing, evaluating, and endorsing for Board approval all material related party transactions in accordance with the Association's internal policies and applicable regulatory requirements. It oversees the implementation and periodic review of policies governing related party transactions to ensure continuing relevance, adequacy, and alignment with evolving governance standards and regulatory expectations.

In the performance of its functions, the Committee is authorized to conduct investigations necessary to fulfill its oversight responsibilities, access relevant Association records, and engage external legal, accounting, or other professional advisers, when deemed necessary, to support objective evaluation and decision-making concerning related party transactions.

For the year 2025, the Association had no material or significant related party transactions requiring disclosure in accordance with the Association's internal materiality thresholds and applicable reporting standards.

**RISK OVERSIGHT COMMITTEE**

As a mutual benefit association operating as a life insurance company under the supervision of the Insurance Commission, the Association maintains an enterprise-wide risk management framework designed to identify, assess, monitor, and manage risks that may affect the achievement of its strategic and operational objectives. The Association continues to implement a KCFAPI-wide Risk Management System to strengthen organizational resilience, promote prudent decision-making, and support long-term sustainability.

Risk management is integrated into the Association's governance and operational processes. Departments regularly conduct risk assessments and update their respective risk registers as part of the monthly management review process. Identified risks, emerging concerns, and potential exposures are evaluated, with corresponding mitigation measures and action plans developed and, when necessary, elevated for Management and Board consideration. As of year-end 2025, the Association assessed its internal control and risk management systems to be adequate and appropriate to support the nature, scale, and complexity of its operations.

For the year 2025, the Board Risk Oversight Committee is chaired by Bro. Armando V. Abarquez, Independent Trustee, with Bro. Angelito A. Bala, Vice President for Actuarial and Business Development, serving as Chief Risk Officer (CRO). The Committee assists the Board of Trustees in fulfilling its oversight responsibilities relating to enterprise risk management by identifying and evaluating key risk exposures and ensuring that appropriate risk management strategies, policies, and controls are established, documented, and effectively communicated throughout the organization.

The Committee oversees the evaluation of the Association's risk appetite and tolerance levels, including exposures relating to credit, market, liquidity, operational, business continuity, and information security risks. It further monitors the effectiveness of risk management practices, evaluates the magnitude and direction of significant risks across the Association, and regularly reports to the Board on overall risk exposures and the adequacy of mitigation measures. Where necessary, the Committee recommends policy enhancements, corrective actions, and risk management interventions to strengthen

organizational resilience and safeguard the interests of the Association and its stakeholders.

**INVESTMENT COMMITTEE**

The Investment Committee was established to support the prudent, strategic, and sustainable management of the Association's investment portfolio in alignment with its long-term financial objectives and fiduciary responsibilities. The Committee assists the Board of Trustees in overseeing the management of investment activities to ensure that investment decisions are undertaken in a disciplined, transparent, and risk-conscious manner consistent with the Association's approved investment policies and regulatory requirements.

The Committee is responsible for reviewing and evaluating proposed investment transactions amounting to Php 10 Million and above prior to endorsement to the Board of Trustees. It assesses investment opportunities based on their financial viability, risk profile, expected returns, and alignment with the Association's investment strategy, liquidity requirements, and overall risk tolerance.

In the discharge of its oversight functions, the Committee monitors the performance of the Association's investment portfolio, evaluates asset allocation strategies, and provides recommendations to optimize returns while safeguarding capital and maintaining portfolio stability. It likewise works closely with the Finance and Investment Team, Management, and professional advisers in assessing market conditions, investment instruments, and emerging opportunities to support informed and prudent investment decisions.

For the year 2025, the Investment Committee continued to be chaired by Bro. Brigido C. Gonzales, Independent Trustee, providing oversight to ensure that the Association's investment activities remain aligned with sound governance principles, financial sustainability, and stakeholder interests.

**EDUCATION AND TRAININGS**

The Association recognizes the importance of continuing education and capacity-building in strengthening the effectiveness of the Board of



*2025 OneKCFAPI Knowing Coaching for Actual Performance Initiative (KCFAPI)*

Trustees in carrying out its governance and fiduciary responsibilities. As part of KCFAPI's commitment to good corporate governance, members of the Board are encouraged to participate in relevant seminars, training programs, and learning initiatives that promote best practices in governance, regulatory compliance, risk management, leadership, and developments within the insurance and mutual benefit association sectors.

Upon election, members of the Board of Trustees undergo an orientation program designed to familiarize them with the Association's governance framework, strategic direction, financial and legal environment, regulatory obligations, compliance systems, Code of Business Conduct and Ethics, and the specific responsibilities attached to their role as Trustees. The orientation likewise provides an overview of the Association's operations, business activities, and key governance policies to support informed and effective decision-making.

The Board of Trustees continues to play an active role in the review, evaluation, and approval of the Association's annual plans, programs, and budget for 2025, ensuring alignment with KCFAPI's Vision, Mission, Corporate Values, and strategic priorities. Through regular engagement with Management, the Board exercises oversight over the implementation of approved objectives and strategies, thereby reinforcing organizational accountability and long-term sustainability.

To support informed governance and effective oversight, Board Members are provided access to Board materials at least five (5) working days prior to

scheduled Board meetings. During regular monthly meetings, the Board reviews operational, financial, and compliance matters, including the Association's financial performance, risk exposures, and progress on strategic initiatives. This process enables the Board to effectively discharge its oversight responsibilities and contribute to the sustained growth, resilience, and long-term viability of the Association.



*2025 OneKCFAPI Pre-Planning Workshop and Economic Briefing*

## **ANNUAL PERFORMANCE ASSESSMENT OF TRUSTEES**

To promote accountability, effectiveness, and continuous improvement in governance, the performance of the Board of Trustees and its individual members is assessed on an annual basis. The assessment process serves as a governance mechanism to evaluate the Board's effectiveness in fulfilling its fiduciary duties, oversight responsibilities, and adherence to established governance standards.

The annual assessment includes a self-evaluation process and peer feedback mechanism, enabling Trustees to provide constructive insights on Board performance, participation, leadership, decision-making, and contribution to the achievement of the Association's strategic objectives. Results of the assessment are utilized to identify opportunities for governance enhancement and strengthen overall Board effectiveness.

## COMPLIANCE WITH REVISED MANUAL ON CORPORATE GOVERNANCE

KCFAPI maintains the highest standards of integrity, ethical conduct, and moral responsibility in all its operations by faithfully complying with the Revised Manual on Corporate Governance. This manual serves as the guiding framework for the Board of Trustees, officers, employees, sales force, and all individuals involved in the operations of its wholly owned and majority-owned companies and foundations. To ensure strict observance of these governance principles, no fewer than four (4) independent members of the Board of Trustees undertake the crucial responsibility of overseeing and promoting the Association's policies and practices on corporate governance.

## REVISED KCFAPI CODE OF ETHICS

Being a standard bearer for good corporate governance, during the start of the fiscal year KCFAPI mandates that all Board Members, officers, and employees review, sign, and pledge adherence to faithfully and unconditionally comply with the

revised KCFAPI Code of Ethics. The Association demands from its Trustees, Officers, and Employees the highest degree of ethical standards and norms in serving the Members of the Order of the Knights of Columbus and their families, as well as the members of the public.

## COMPLIANCE WITH REGULATORY BODIES

KCFAPI is a mutual benefit association under the regulatory supervision of the Insurance Commission. In line with this mandate, the Association ensures strict compliance with the provisions of the amended Insurance Code of the Philippines, as well as all circulars and directives issued by the Commission.

In addition, KCFAPI adheres to the laws, regulations, and issuances of other relevant government agencies that directly impact its operations as an insurer and mutual benefit association. These include the Securities and Exchange Commission, the National Privacy Commission, the Anti-Money Laundering Council, and the Bureau of Internal Revenue.

At present, KCFAPI has no creditors and is not a party to any significant case pending before judicial or quasi-judicial bodies. The Association likewise maintains strict adherence to the provisions of the Data Privacy Act of 2012 and the Anti-Money Laundering Act of 2001, as amended.

In fulfilling its governance and compliance responsibilities, the Board of Trustees is supported by a designated Chief Compliance Officer, Anthony P. Nazario, who also serves as Executive Vice President.

*2025 OneKCFAPI Pilgrimage*





2025 OneKCFAPI Walk For Life

## OPERATIONAL POLICIES

In line with the best practices for good corporate governance, KCFAPI has adopted various company-wide policies.

## CONFLICT OF INTEREST

Under the Revised Manual on Corporate Governance, conflicts of interest should be handled with utmost prudence and diligence so as to avoid conflicts of interest in performing official duties.

Where a potential conflict of interest arises—everyone from the Board and Management level to the staff are enjoined to adhere to the procedures provided by law and KCFAPI's By-laws in dealing with such matters. Trustees with material interest in a transaction affecting the corporation abstain from taking part in the deliberations for the same.

In furtherance of this mandate, the Board of Trustees issued Resolution No. 2025-115 approving and implementing the KCFAPI social media Policy to guidance to KCFAPI Personnel and Partners on how to safely and productively use social media to appropriately promote the range of benefits the Association offers, but at

the same time, mitigate the risks associated with it.

## WHISTLE-BLOWING POLICY

Under the Revised Code of Ethics, the Trustees, officers and employees shall disclose or report directly to the Board of Trustees or to the Founder Members' Committee any illegal, immoral, unethical, dishonest, corrupt, fraudulent act, conduct or behavior committed by anyone covered by the Code. KCFAPI shall protect anyone who blows the whistle from any retaliatory actions.

On 30 May 2025, the Board of Trustees issued Resolution No. 2025-114 approving and implementing the KCFAPI Whistleblower Policy to increase the awareness of maintaining internal corporate justice and regard this as a kind of internal control mechanism, providing employees of the KCFAPI Group the proper channel for whistleblowing. For the year 2025, there were no whistleblowing incidents.

## DISCLOSURE AND TRANSPARENCY

KCFAPI remains committed to maintaining transparency, accountability, and timely disclosure of material information to stakeholders in compliance with regulatory requirements and recognized governance standards. The Association publishes its Annual Report to provide a fair, balanced, and comprehensive presentation of its financial condition,

operational performance, governance practices, and strategic direction.

In addition to financial disclosures, the Association continues to strengthen transparency in reporting material economic, environmental, social, and governance (EESG) matters in support of its sustainability and stakeholder engagement commitments. Relevant disclosures are made in accordance with applicable reporting standards, regulatory expectations, and governance best practices.

To reinforce the integrity and reliability of reporting, the Association maintains an independent internal audit function that objectively evaluates the adequacy and effectiveness of governance, risk management, and internal control systems. For the year 2025, R.G. Manabat & Company continued to serve as the Association's external auditor, providing independent assurance on the fairness and reliability of the Association's financial statements.

## HUMAN RESOURCES / TALENT MANAGEMENT

KCFAPI remains committed to strengthening its human capital as a key driver of organizational sustainability, service excellence, and long-term value creation. Recognizing that a competent, engaged, and values-driven workforce is essential in fulfilling the Association's mission of serving Brother Knights and their families, the Association continuously invests in talent development, leadership capability, employee well-being, and workforce readiness.

To promote continuous learning and professional excellence, the Association sustained its partnership with the Life Office Management Association (LOMA), a globally recognized institution in the insurance and financial services industry. Through this partnership, employees are provided access to specialized programs aimed at enhancing technical competencies, industry knowledge, and customer service capability. As of year-end 2025, KCFAPI proudly recognizes the professional accomplishments of its employees, including four (4) Fellows, Life Management Institute (FLMI); three (3) Associates, Life Management



*Elderly and Abused Women Outreach Group*

Institute (ALMI); three (3) Principals, Customer Service (PCS); and six (6) Associates, Customer Service (ACS). These achievements reflect the Association's strong culture of continuous learning and its commitment to developing a future-ready workforce equipped to address the evolving needs of members and stakeholders.

Beyond technical certifications, employees participated in profession-specific learning interventions, external seminars, and competency-based development programs to ensure continued professional growth and organizational capability enhancement. In 2025, the Association further strengthened its leadership pipeline through refresher programs and capability-building initiatives focused on essential leadership competencies, including basic leadership, conflict management, employee engagement, communication, and people management. These initiatives were designed to reinforce leadership effectiveness and equip officers and supervisors with the necessary competencies to navigate evolving workplace challenges and organizational demands.

In support of a more performance-oriented culture, KCFAPI enhanced its Performance Management System in 2025 to strengthen accountability, improve goal alignment, and reinforce a results-driven environment. The enhanced performance management approach aims to better measure employee contributions, address competency gaps, and align individual performance with the strategic objectives and long-term priorities of the Association.

KCFAPI likewise remains committed to promoting employee health, wellness, and holistic well-being. Throughout 2025, employees were provided opportunities to participate in wellness and recreational activities, including basketball, Zumba, yogilates, guided stretching sessions, and mental health awareness programs aimed at promoting resilience, stress management, and emotional well-being. These initiatives support the Association's commitment to fostering a healthy, productive, and engaged workforce.

Recognizing the importance of holistic employee welfare, the Association also strengthened employee awareness of government-mandated benefits through learning sessions conducted in partnership with representatives from the Social Security System, Pag-IBIG Fund, and PhilHealth. These sessions enabled employees to better understand their statutory benefits, loan privileges, healthcare coverage, and long-term financial security options, empowering them to maximize the benefits available to them and their families.

In response to heightened public awareness and preparedness efforts relating to potential seismic risks in Metro Manila, KCFAPI further strengthened its workplace safety and disaster preparedness initiatives in 2025. The Association conducted earthquake and fire drills to familiarize employees with emergency response protocols, evacuation procedures, and workplace safety measures during crisis situations. To reinforce preparedness and employee safety, KCFAPI also provided hard hats, emergency whistles

and flashlights to employees as part of its proactive emergency readiness program. These initiatives reflect the Association's commitment to safeguarding employee welfare, ensuring organizational resilience, and fostering a culture of safety and preparedness.

To nurture employees' spiritual and social well-being, weekly Mass celebrations and Agape gatherings continued to be conducted, promoting fellowship, camaraderie, and a values-centered workplace culture aligned with the Association's fraternal identity.

Through these initiatives, KCFAPI continues to cultivate a competent, engaged, resilient, and purpose-driven workforce. The Association believes that sustained investment in its people strengthens organizational capability, enhances service excellence, and secures long-term sustainability for the benefit of its members, employees, and stakeholders.

### **SOLIDARITY WITH THE CATHOLIC CHURCH, CLERGY, AND THE ORDER OF THE KNIGHTS OF COLUMBUS**

As a Catholic organization, KCFAPI steadfastly reaffirms its commitment to supporting the Order of the Knights of Columbus as the right arm of the Roman Catholic Church, continuously advancing initiatives that uphold faith, service, and social responsibility.

In continued support of the Catholic Bishops'

*Seed of Hope Fund Donation*



Conference of the Philippines Seed of Hope Fund and in celebration of its 16th year, KCFAPI turned over its annual donation of P1.0 Million, representing the interest earned from the P10.0 Million fund, to help sustain the programs and initiatives of the CBCP. Marking the 16th year of this meaningful partnership in 2025, the total amount remitted by KCFAPI has already reached P15.14 Million, surpassing the original fund amount and reflecting the organization’s enduring commitment to the mission of the Church.



*Seed of Hope Fund Donation*

KCFAPI spreads the Word of God through the TV program “The Word Exposed.” A monthly donation of P25,000, or P300,000 annually, is given to the Jesuit Communications Foundation. During the commemoration of the 48th Death Anniversary of the Servant of God Fr. George J. Willmann, S.J. last September 15, 2025, a Holy Mass was celebrated at the San Agustin Church in Intramuros, Manila, and streamed live through the Servant of God Fr. George J. Willmann, S.J. Facebook Page.

The Mass was presided over by His Excellency, Most Rev. Ruperto C. Santos, D.D., Bishop of Antipolo, as Main Celebrant, together with the following Concelebrants: Rev. Msgr. Pedro C. Quitarioro III, Rev. Msgr. Geronimo F. Reyes, JCD, Rev. Fr. Robert T. Young, Rev. Fr. Hernandez P. Mendoza, Jr., Rev. Fr. Emmanuel Hipolito, Rev. Fr. Edwin Hari, OSA, and Rev. Fr. Reynante B. Balilo, OSA.



*2025 OneKCFAPI Recollection*

**RESHAPING THE FINANCIAL FUTURE OF KOFC FAMILIES: HARNESSING GROWTH, BALANCING STABILITY**

As we enter the fifth and final year of our five-year strategic roadmap, KCFAPI proudly introduces its 2026 corporate theme, “Reshaping the Financial Future of Knights of Columbus Families: Harnessing Growth, Balancing Stability.” This is more than a theme; it is our

*48th Death Anniversary of Fr. George J. Willmann, SJ*





*Environmental Efforts Outreach Group*

ongoing promise to build a more resilient and sustainable future for the families we serve.

Since launching this journey in 2022, KCFAPI has consistently navigated challenges, seized opportunities, and fortified its foundation to better meet the changing needs of Knights of Columbus families. We have overcome obstacles, improved relationships, and elevated our standards, advancing toward becoming a more responsive and trusted partner in financial services.

As we approach 2026, “Harnessing Growth” conveys our dedication to maximizing achievements—enhancing services, embracing innovation, empowering talent, and delivering greater value to every BC Holder and stakeholder. As OneKCFAPI, we aim to build a stronger, more unified organization, fostering deeper collaboration within KCFAPI and across our subsidiaries to align our collective strengths with our mission of service and growth.

In pursuit of excellence, KCFAPI remains committed to advancing digitalization and innovation to better serve our BC Holders and their families. Through robust systems, expanded accessibility, and improved efficiency, we strive to deliver a seamless, responsive, and future-ready experience, grounded in trust, reliability, and care.

Our people drive this transformation. KCFAPI invests in Human Resources and Sales Force through learning, capability-building, and opportunities, empowering them to serve with greater excellence, compassion, and purpose.

“Balancing Stability” reminds us that sustainable progress requires prudence and sound



*Abandoned Children Outreach Group*

stewardship. KCFAPI is dedicated to preserving organizational strength and ensuring members and families have security, confidence, and peace of mind.

As OneKCFAPI, we move forward united in purpose, strengthened by faith, and inspired by the unwavering dedication of our Board of Trustees, officers, employees, and sales force. Guided by the enduring legacy of Blessed Michael J. McGivney and the Servant of God Fr. George J. Willmann, S.J., we look ahead with optimism and confidence. In the spirit of the Knights of Columbus theme, “Heralds of Hope,” we aspire to become even stronger instruments of hope—bringing assurance, compassion, and meaningful support to K of C families in every stage of life.

As we look ahead to 2026, we embrace the fifth and final year of our strategic roadmap with confidence and hope. Guided by our mission, strengthened by our collective experience, and inspired by our shared vision, KCFAPI remains steadfast in its commitment to responsibly harness growth, preserve stability, and create lasting value for every K of C family we serve. The best of our journey is still ahead, and together, as OneKCFAPI, we will continue building a stronger, more secure, and hope-filled future for generations of Knights of Columbus families.

VIVAT JESUS! AVE MARIA!

**Pascual C. Carbero**  
**President/Chief Executive Officer**



# Knights of Columbus Fraternal BOARD OF 2025



**DANILO A. SANCHEZ**  
CHAIRMAN OF THE BOARD

Mr. Sanchez, 73 years old, was elected Chairman of the Board in July 2025. He also holds the following positions: State Deputy of the Knights of Columbus Luzon South State Council; Treasurer of Keys Realty and Development Corporation; and Trustee of KC Philippines Foundation, Inc. and Knights of Columbus Fr. George J. Willmann

Charities, Inc.; President and CEO of Agriman Enterprise Company, Incorporated; President and CEO of Biogritek and Company; and President and CEO of Mostly Feeds and Company, Inc. He has no directorship in any publicly listed company.

His past positions include: President of Knights of Columbus Fraternal Association of the Philippines Inc.; State Secretary of the Knights of Columbus Luzon South State Council; Chairman of the Board of Mace Insurance Agency, Inc.; and President of Kompass Credit and Financing Corporation. He graduated with a Bachelor of Science degree in Business Administration from the University of East.

He attended the following trainings and seminars: Organizational Meeting of State Deputies, June 4–8, 2025, New Haven, Connecticut, USA; Board Orientation by KCFAPI Management, July 30, 2025; Knights of Columbus 143rd Supreme Convention, August 5–7, 2025, Washington, D.C., USA; Economic Briefing by Metrobank, September 25, 2025; and Mid-Year Meeting of State Deputies, November 21–23, 2025, Denver, Colorado, USA.



**PASCUAL C. CARBERO**  
PRESIDENT

Mr. Carbero, 73 years old, was elected President in July 2025. He also holds the following positions: State Deputy of the Knights of Columbus Luzon North State Council; Vice Chairman of Keys Realty and Development Corporation Trustee of KC Philippines Foundation, Inc. and Knights of Columbus Fr. George J. Willmann Charities,

Inc.; and Senior Vice President at Alpha Insurance & Surety Co., Inc. He has no directorship in any publicly listed company.

His past positions include President of Keys Realty and Development Corporation; Vice Chairman of Knights of Columbus Fraternal Association of the Phils., Inc.; President and Chairman of Mace Insurance Agency, Inc.; President of Kompass Credit and Financing Corporation; Vice President at Intra Strata Assurance Corporation; First Vice President at Phil. British Assurance Co., Inc.; Assistant Vice President at Phil. Phoenix Surety & Insurance Company; and State Advocate of the Knights of Columbus Luzon North State Council. He also served as Past State Secretary under Jose Reyes Jr. and Rene Sarmiento and as State Warden for four years under Past State Deputies Alonso Tan and Isidro Yap.

He graduated with a Bachelor of Science in Business Administration, major in Management, from the Philippine School of Business Administration, and earned a Bachelor of Laws degree from the Lyceum of the Philippines. He completed the General Insurance Course at the Insurance School of Japan in Tokyo, Japan, and is a licensed underwriter for Surety, Casualty, and Fire lines of business in Non-Life Insurance.

He attended the following trainings and seminars: Organizational Meeting of State Deputies, June 4–8, 2025, New Haven, Connecticut, USA; Board Orientation by KCFAPI Management, July 30, 2025; Knights of Columbus 143rd Supreme Convention, August 5–7, 2025, Washington, D.C., USA; Economic Briefing by Metrobank, September 25, 2025; and Mid-Year Meeting of State Deputies, November 21–23, 2025, Denver, Colorado, USA.

**ROGELIO D. TADURA**  
VICE CHAIRMAN



Mr. Tadura, 68 years old, was elected as the Vice Chairman of the Board in July 2025. He also holds the following positions: State Deputy of the Knights of Columbus Mindanao State Council; Secretary of the of KC Philippines Foundation, Inc. and Knights of Columbus Fr. George J. Willmann Charities, Inc.; and President of Keys Realty and Development Corporation.

His past positions include: Treasurer of the Board of Knights of Columbus Fraternal Association of the Philippines Inc.; Vice Chairman of Keys Realty and Development Corporation; Corporate Secretary of KC Philippines Foundation, Inc. and Knights of Columbus Fr. George J. Willmann Charities, Inc.; State Membership Director of the Knights of Columbus Mindanao State Council; Vice President of Democratic Development for Sustainable Growth for Mindanao; Chief of Staff of one of the Board of Directors of the National Irrigation Administration; Area Manager of KCFAPI-Eastern Mindanao (2018–2023); and Vehicle Sales Manager at Toyota Davao City, Inc. He has no directorship in any publicly listed company.

He graduated with a Bachelor of Science degree in Commerce, major in Accounting, from the University of Mindanao, and a Bachelor of Science in Customs Administration from Holy Cross of Davao College.

He attended the following trainings and seminars: Organizational Meeting of State Deputies, June 4–8, 2025, New Haven, Connecticut, USA; Board Orientation by KCFAPI Management, July 30, 2025; Knights of Columbus 143rd Supreme Convention, August 5–7, 2025, Washington, D.C., USA; Economic Briefing by Metrobank, September 25, 2025; and Mid-Year Meeting of State Deputies, November 21–23, 2025, Denver, Colorado, USA.

**ODELON S. MABUTIN**  
BOARD SECRETARY



Judge Mabutin, 65 years old, was elected Board Secretary in July 2023. He also holds the following positions: State Deputy of the Knights of Columbus Visayas State Council; Chairman of Keys Realty and Development Corporation; Corporate Treasurer of KC Philippines Foundation, Inc. and Knights of Columbus Fr. George J. Willmann Charities, Inc.; President of the Integrated Bar of the Philippines – Samar Chapter; member of the Board of Trustees of Visayas Columbian Foundation, Inc. – Cebu City; and Vice President of the Parish Pastoral Council, St. James Parish, Sta. Margarita, Samar. He has no directorship in any publicly listed company.

His past positions include: Presiding Judge of the Municipal Trial Court in Cities; National President of the Philippine Trial Judges League, Inc.; and State Advocate of the Knights of Columbus Visayas State Council; Secretary of Keys Realty and Development Corporation; Treasurer of KC Philippines Foundation, Inc. and Knights of Columbus Fr. George J. Willmann Charities, Inc.;

He attended the following trainings and seminars: Organizational Meeting of State Deputies, June 4–8, 2025, New Haven, Connecticut, USA; Board Orientation by KCFAPI Management, July 30, 2025; Knights of Columbus 143rd Supreme Convention, August 5–7, 2025, Washington, D.C., USA; Economic Briefing by Metrobank, September 25, 2025; Seminar on the Revised 2024 Guidelines of the Supreme Court for New IBP Chapter Officers, September 29 to October 2025, Pasig City, Metro Manila; Mid-Year Meeting of State Deputies, November 21–23, 2025, Denver, Colorado, USA; House of Delegates Convention and Seminar, November 26–28, 2025, Coron, Palawan; and Online Insurance Commission Seminar.

# Association of the Philippines, Inc.

## TRUSTEES

### -2026



**RAMONCITO A. OCAMPO**  
TREASURER

Mr. Ocampo, 69 years old, was elected as Treasurer of the Board in July 2025. He is a former President and served as Corporate Secretary in July 2015 of the Knights of Columbus Fraternal Association of the Philippines, Inc. He is a former Chairman of the Keys Realty & Development Corp., and has held several key leadership and governance roles, including State Deputy of the Knights of Columbus Luzon South State Council. His past positions include Corporate Secretary of Keys Realty & Development Corp., Trustee of KC Philippines Foundation, Inc., and Trustee of Knights of Columbus Fr. George Willmann Charities, Inc.

Mr. Ocampo also served as President of International Elevator & Equipment, Inc. (IEEI), an affiliate of the Mitsubishi Electric Group of Japan, where he gained significant experience in executive management and operations. He does not hold any directorship in any publicly listed company.

Mr. Ocampo is a Professional Mechanical Engineer. He earned his Bachelor of Science in Mechanical Engineering degree from De La Salle University. He attended the following trainings and seminars: Board Orientation by KCFAPI Management, July 30, 2025; Economic Briefing by Metrobank, September 25, 2025; Corporate Governance Orientation Program (CGOP) of the Institute of Corporate Directors in December 2025.



**LAURO A. PATIAG**  
LEAD INDEPENDENT TRUSTEE

Mr. Patiag, 60 years old, was elected Independent Trustee in July 2025. He also holds the following positions: State Advocate of the Knights of Columbus Luzon North State Council; Vice President of the Association of Government Internal Auditors; Assistant General Manager for the Management Services Sector of the

Philippine Charity Sweepstakes Office (PCSO), with a concurrent assignment in the Gaming, Product Development and Management Sector; and Professorial Lecturer at the Graduate School of Bulacan State University, where he teaches courses in Law, Tax, Accounting, and Management.

His past positions include serving as Grand Knight and District Deputy of the Knights of Columbus Luzon North State Council, as well as holding the roles of Department Manager III (Chief Legal Counsel) of the Legal Department and Department Manager III (Chief Audit Executive) under the Internal Audit Services of the Philippine Charity Sweepstakes Office (PCSO). Mr. Patiag has chaired and served in various governance and compliance committees and possesses deep familiarity with regulatory, legal, and internal control frameworks relevant to board oversight functions.

He holds a Doctor of Public Administration, a Master in National Security Administration, a Master in Business Administration, a Bachelor of Laws, and a Bachelor of Science in Commerce (Accounting). He is a Certified Public Accountant, a member of the Philippine Bar, and a Career Executive Service Officer (CESO). Atty. Patiag is a reserve Lieutenant Colonel in the Philippine Marine Corps of the Armed Forces of the Philippines assigned as a Group Commander in the Civil-Military Affairs Brigade, AFRESCOM. He attended international law conferences in Sydney, Australia; Berlin, Germany; and Toronto, Canada, including various accounting and internal auditing seminars held in Kuala Lumpur, Malaysia; Seoul, South Korea; and Guam, USA. Dr. Patiag attended the following trainings and seminars: Board Orientation by KCFAPI Management, July 30, 2025; Corporate Governance Orientation Program (CGOP) conducted by the Institute of Corporate Directors (ICD) on August 5-6, 2025; Economic Briefing by Metrobank, September 25, 2025; Accounting Seminar in Osaka, Japan.

**WENCESLAO A. CAÑETE, JR.**  
AUDITOR



Mr. Cañete, 55 years old, was elected Auditor of the Board in July 2025. He is also the State Secretary of the Knights of Columbus Visayas State Council and City Assessor at the City of Bogo Assessors Office. He has no directorship in any publicly listed company. His past positions include State Warden of the Knights of Columbus Visayas State Council, Treasurer of Mace Insurance Agency, Inc., and Assistant City Assessor at the Bogo City Assessors Office in Cebu Province.

He graduated with a Bachelor of Science degree in Electronics & Communication Engineering from the University of San Jose – Recoletos and earned a Master's degree in Public Administration from the University of the Visayas.

He attended the following trainings and seminars: Board Orientation by KCFAPI Management, July 30, 2025 and Economic Briefing by Metrobank, September 25, 2025.

**BRIGIDO C. GONZALES**  
INDEPENDENT TRUSTEE



Mr. Gonzales, 66 years old, was elected an Independent Trustee in July 2025. He is a licensed Civil Engineer with extensive executive and managerial experience, providing strategic oversight and risk awareness to the Board.

He has served in various leadership roles within the Knights of Columbus, including Grand Knight Faithful Navigator, District Deputy, and State Council Officer, and currently serves as State Warden of the Knights of Columbus Luzon South State Council. He was formerly a member of the Board of Directors of Keys Realty and Development Corporation.

He attended the following trainings and seminars: Board Orientation by KCFAPI Management, July 30, 2025; Corporate Governance Orientation Program (CGOP) of the Institute of Corporate Directors in August 2025; Economic Briefing by Metrobank, September 25, 2025; He holds a Bachelor of Science in Civil Engineering from National University and has affirmed his independence, with no business or personal dealings with KCFAPI or its related parties.

**ARMANDO V. ABARQUEZ**  
INDEPENDENT TRUSTEE



Mr. Abarquez, 74 years old, was elected Independent Trustee in July 2025. He has held various leadership positions within the Knights of Columbus, including Grand Knight of San Pedro Council No. 3289 for two (2) years, Faithful Navigator of San Pedro Cathedral Assembly No. 3668 for one (1) year, District Deputy, Regional Officer-in-Charge (Daditama), and State Treasurer from 2023 to 2025, where he managed Knights of Columbus Mindanao State Council-wide financial operations, budgeting, and fund disbursement. He also served for ten years as a member of the Fourth Degree Honor Guard, participating in religious, civic, and patriotic events, and currently serves as State Warden of the Mindanao State Council.

He has no directorship or affiliation with any publicly listed company and has affirmed that he has no business or personal dealings with KCFAPI or its related entities, thereby maintaining his independence.

He earned a Bachelor of Science in Commerce degree from the University of Mindanao in 1972. He attended the following trainings and seminars: Board Orientation by KCFAPI Management, July 30, 2025; Corporate Governance Orientation Program (CGOP) of the Institute of Corporate Directors in August 2025; Economic Briefing by Metrobank, September 25, 2025.

# 2025 KCFAPI BOARD COMMITTEES

## INVESTMENT COMMITTEE

Bro. Brigido C. Gonzales – Chairman  
Bro. Pascual C. Carbero – Vice-Chairman  
Bro. Lauro A. Patiag – Member

## AUDIT COMMITTEE

Bro. Lauro A. Patiag – Chairman  
Bro. Rogelio D. Tadura – Vice-Chairman  
Bro. Wenceslao A. Cañete – Member

## RISK MANAGEMENT COMMITTEE

Bro. Armando V. Abarquez – Chairman  
Bro. Pascual C. Carbero – Vice-Chairman  
Bro. Odelon S. Mabutin – Member

## CORPORATE GOVERNANCE COMMITTEE

Bro. Armando V. Abarquez – Chairman  
Bro. Danilo A. Sanchez – Vice-Chairman  
Bro. Pascual C. Carbero – Member

## RELATED PARTY TRANSACTIONS COMMITTEE

Bro. Brigido C. Gonzales – Chairman  
Bro. Odelon S. Mabutin – Vice-Chairman  
Bro. Pascual C. Carbero – Member

## HUMAN RESOURCES/REMUNERATION COMMITTEE

Bro. Danilo A. Sanchez – Chairman  
Bro. Pascual C. Carbero – Vice-Chairman  
Bro. Lauro A. Patiag – Member

## EXECUTIVE COMMITTEE

Bro. Danilo A. Sanchez – Chairman  
Bro. Pascual C. Carbero – Vice-Chairman  
Bro. Ramoncito A. Ocampo – Member  
Bro. Odelon S. Mabutin – Member  
Bro. Rogelio D. Tadura – Member

## Compliance Committee

Bro. Lauro A. Patiag – Chairman  
Bro. Brigido C. Gonzales – Vice-Chairman  
Bro. Armando V. Abarquez – Member  
Bro. Ribomapil C. Yuvienco – Member

# 2025 KCFAPI BOARD ATTENDANCE

Trustees	July 4 Organizational	July 31 Regular	August 28 Regular	September 16 Regular	October 29 Regular	November 27 Regular	December 18 Regular	%
Danilo A. Sanchez	V	V	V	V	V	V	V	100%
Rogelio D. Tadura	V	V	V	V	V	V	V	100%
Pascual C. Carbero	V	V	V	V	V	V	V	100%
Ramoncito A. Ocampo	V	V	V	V	V	V	V	100%
Odelon S. Mabutin	V	V	V	V	V	V	V	100%
Wenceslao A. Cañete, Jr.	V	V	V	V	V	V	V	100%
Lauro A. Patiag	V	V	V	V	V	V	V	100%
Brigido C. Gonzales	V	V	V	V	V	V	V	100%
Armando V. Abarquez	V	V	V	V	V	V	V	100%

# KCFAPI OFFICERS



**ANTHONY P. NAZARIO**  
Executive Vice President



**ANGELITO A. BALA, MBA, MS**  
Vice President  
Actuarial & Business Development



**ARVI RINA S. ALBARACIN, Rpm, CHRA, CMHFR, SO2**  
Assistant Vice President  
Human Resources, Administrative Services,  
& Corporate Communications



**ADRIAN B. BOSTON, ACS, ALMI**  
Assistant Vice President  
Fraternal Benefits Dept. VisMin



**MANUEL B. DIMALANTA, JR., CPA**  
Assistant Vice President  
Operations



**JERALD D. JAVIER**  
Assistant Vice President  
Fraternal Benefits Dept. Luzon



**GLORIA O. ALEGRE, FLMI, PCS**  
Manager  
Business Retention & Collection



**RUDOLPH GERARD M. ELIZAGA**  
Manager  
BC Claims & Benefits



**MARIANNE M. GATDULA, MBA, ACS**  
Manager  
Underwriting Services



**JHON LYNDON D. PALAFOX**  
Manager  
BC Relations Assistance



**ANDREI MARI P. SANTOS, CPA, CFMS, CTS**  
Manager  
Financial Management & Accounting Services



**RONALD T. VARGAS, ALMI, MCP**  
Manager  
Information Technology



**ATTY. RIBOMAPIL C. YUIENCO, MRIM**  
Manager  
Legal Services & Compliance

# CONSULTANTS



**Panfilo P. de la Paz, FSA, FASP**  
Actuary



**Atty. Eduardo P. Lizares**  
Padilla Law Office  
Legal Counsel



**Michael S. Gonzales, MD**  
Medical



**Roberto V. Bayani, MSA**  
Human Resources

# WHOLLY-OWNED AND MAJORITY OWNED COMPANIES' AND FOUNDATIONS' FINANCIAL HIGHLIGHTS



## KEYS REALTY AND DEVELOPMENT CORPORATION

Financial Highlights ('000)	2024	2025
Assets	942,230	954,944
Stockholders' Equity	781,188	791,960
Revenue	81,180	79,998
Net Income	3,600	2,810

### BOARD OF DIRECTORS



**Odelon S. Mabutin**  
Chairman



**Pascual C. Carbero**  
Vice Chairman



**Rogelio D. Tadura**  
President



**Eduardo A. Lara**  
Corporate Secretary



**Danilo A. Sanchez**  
Treasurer



**Bonifacio B. Martinez**  
Auditor



**Conrado S. Dator, Jr.**  
Director



**Fidel L. Blantucas**  
Director



**Wilfredo M. Viernes**  
Director



**Leonilo L. Jumagdao**  
Director



**Purisimo S. Buyco**  
Director

### OFFICERS AND CONSULTANT



**Richard M. Belen, CPA**  
General Manager



**Riz S. Nicolas, CPA**  
Consultant



**Edison S. Impang, Jr.**  
Manager  
Hotel

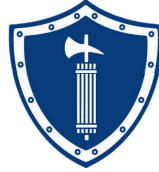


**Engr. Mark Lloyd B. Lirio**  
Manager  
Real Estate



**Generic L. Arellano**  
Manager  
Mortuary Services & Marketing

# WHOLLY-OWNED AND MAJORITY OWNED COMPANIES' AND FOUNDATIONS' FINANCIAL HIGHLIGHTS



## MACE INSURANCE AGENCY, INC.

### Financial Highlights ('000)

	2024 AUDITED	2025 INTERIM
Assets	14,318	17,700
Stockholders' Equity	5,399	6,060
Revenue	10,155	10,050
Net Income	488	1,499

### BOARD OF DIRECTORS



**Joselito B. Roldan**  
Chairman



**Mark Anthony R. Lodrigito**  
Vice Chairman



**Carlos R. Bairan, Jr.**  
President



**Saturnino J. Galang, Jr.**  
Corporate Secretary



**Marlon B. Mañal**  
Treasurer



**Roy A. Rosales**  
Auditor



**Teofrido B. Lagria**  
Director

### OFFICER



**Arnold J. Aguilar**  
Manager

# WHOLLY-OWNED AND MAJORITY OWNED COMPANIES' AND FOUNDATIONS' FINANCIAL HIGHLIGHTS



## KOMPASS CREDIT AND FINANCING CORPORATION

Financial Highlights ('000)	2024	2025
Assets	576,220	690,780
Stockholders' Equity	567,640	684,180
Revenue	37,180	47,930
Net Income	17,420	23,390

### BOARD OF DIRECTORS



**Atty. Edgardo S. Layno**  
Chairman



**Joven P. Dy**  
Vice Chairman



**Manolito M. Magsino**  
President



**Edwin C. Magpayo**  
Corporate Secretary



**Cesar S. Divinagracia, Jr.**  
Treasurer



**Hilario G. Davide, Jr.**  
Independent Director



**Atty. Angel A. Lim, Jr.**  
Auditor

### OFFICERS



**Jermaine Paul C. Sempio**  
General Manager



**Patrick Joseph P. Piniano**  
Manager

# WHOLLY-OWNED AND MAJORITY OWNED COMPANIES' AND FOUNDATIONS' FINANCIAL HIGHLIGHTS



## KC PHILIPPINES FOUNDATION, INC.

Financial Highlights ('000)	2024	2025
Assets	37,784	37,754
Fund Balance	31,376	31,775
Receipts	5,424	5,684
EROE	468	399

## BOARD OF TRUSTEES



**Rene V. Sarmiento**  
Chairman



**Jose C. Reyes, Jr.**  
Vice Chairman



**Joven P. Dy**  
President



**Rogelio D. Tadura**  
Board Secretary



**Odelon S. Mabutin**  
Treasurer



**Marlon B. Mañao**  
Auditor



**Danilo A. Sanchez**  
Trustee



**Hilario G. Davide, Jr.**  
Trustee



**Pascual C. Carbero**  
Trustee

## OFFICER



**Kris Jay Rolex A. Yngco**  
Manager

# WHOLLY-OWNED AND MAJORITY OWNED COMPANIES' AND FOUNDATIONS' FINANCIAL HIGHLIGHTS



## KNIGHTS OF COLUMBUS FR. GEORGE J. WILLMANN CHARITIES, INC.

Financial Highlights ('000)	2024	2025
Assets	54,640	53,771
Fund Balance	44,449	41,871
Receipts	11,457	11,258
Net Income	390	(2,579)

### BOARD OF TRUSTEES



Rene V. Sarmiento  
Chairman



Jose C. Reyes, Jr.  
Vice Chairman



Joven P. Dy  
President



Rogelio D. Tadura  
Board Secretary



Reynaldo P. Pariñas  
Auditor



Pascual C. Carbero  
Trustee



Danilo A. Sanchez  
Trustee



Hilario G. Davide, Jr.  
Trustee



Odolon S. Mabutin  
Treasurer



Marlon B. Mañal  
Trustee



Edwin B. Dawal  
Trustee



Msgr. Pedro C. Quitarro III  
Trustee



Fr. Robert T. Young  
Trustee



Fr. Jeronimo Ma. J. Cruz  
Trustee



Fr. Hernandez P. Mendoza, Jr.  
Trustee

### OFFICER



Kris Jay Rolex A. Yngco  
Manager



KofC Family... Our Concern

# AREA MANAGERS 2025

## LUZON NORTH STATE COUNCIL



**RODERICK S.  
SALVADOR**



**REX E. BLANCO**



**LAURO L.  
EVANGELISTA**



**GLENN D.  
ESPALDON**



**ARMANDO C.  
GONZALES**



**BERNANDO R.  
RIOTOC**

## LUZON SOUTH STATE COUNCIL



**EFREN V.  
MENDOZA**



**DANILO C.  
COSME**



**REYNALDO D.  
VALENCIA**



**CONRADO S.  
DATOR, JR.**

## VISAYAS STATE COUNCIL



**EMMANUEL A.  
BRION**



**RUSDAM VOLTAIRE  
A. NEGROS**



**RODANTE B.  
SULTAN**



**REYNALDO M.  
FUENTIVILLA**

## MINDANAO STATE COUNCIL



**NESTOR G.  
JIMENEZ**



**ROY A.  
ROSALES**



**REYNALDO B.  
SABELLANO**



**TORCUATO L.  
GALON, JR.**



**HENRY L.  
ESPEJO**



**HANS JOSEPH  
T. HERNANDEZ**



# 49<sup>TH</sup> FR. GEORGE J. WILLMANN, SERVANT OF GOD ANNUAL FAMILY SERVICE AWARDS



# 3<sup>rd</sup> OneKCF API National Sales Conference





# 67<sup>th</sup> KCFAPI FOUNDING ANNIVERSARY



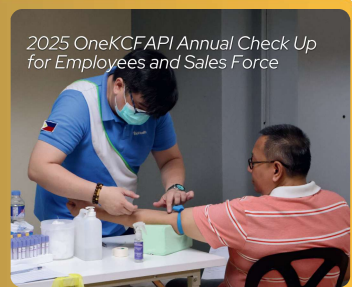
Back in Action A 67th Anniversary Treat for Employees and Sales Force



Accounting for Non-Accountants-A Practical Learning Session



KCFAPI 67th Founding Anniversary Thanksgiving Mass



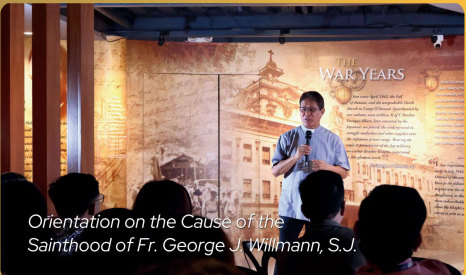
2025 OneKCFAPI Annual Check Up for Employees and Sales Force



2025 OneKCFAPI Bowling Tournament



Blessing and Opening of the Fr. Willmann Exhibit



Orientation on the Cause of the Sainthood of Fr. George J. Willmann, S.J.



Legal Briefing and Orientation Sessions for Employees



2025 OneKCFAPI Bowling Tournament



BC Holder's Day



Great to be 8! Dinner at Vikings



SSS Company In-House Seminar for Employees



48th Death Anniversary of Fr. George J. Willmann, SJ

# Independent Auditors' Report

## KNIGHTS OF COLUMBUS FRATERNAL ASSOCIATION OF THE PHILIPPINES, INC.

SEPARATE FINANCIAL STATEMENTS  
December 31, 2025 and 2024

With Independent Auditors' Report

### R.G. Manabat & Co.



R.G. Manabat & Co.  
The KPMG Center, 6/F  
6787 Ayala Avenue, Makati City  
Philippines 1209  
Telephone +63 (2) 8885 7000  
Fax +63 (2) 8894 1985  
Internet www.home.kpmg/ph  
Email ph-inquiry@kpmg.com

#### REPORT OF INDEPENDENT AUDITORS

The Board of Trustees and Members

**Knights of Columbus Fraternal Association of the Philippines, Inc.**  
KCFAPI Center, Gen. Luna corner Sta. Potenciana Streets  
Intramuros, Manila

#### Report on the Audit of the Separate Financial Statements

##### *Opinion*

We have audited the separate financial statements of Knights of Columbus Fraternal Association of the Philippines, Inc. (the Company), which comprise the separate statements of financial position as at December 31, 2025 and 2024, and the separate statements of activities and other comprehensive income, changes in net worth and cash flows for the years then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at December 31, 2025 and 2024, and its unconsolidated financial performance and its unconsolidated cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

##### *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 Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in the Philippines. We have also 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 September 20, 2026  
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 until the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025, and Certificate of Accreditation issued on March 19, 2026, valid for five (5) years covering the audit of 2026 to 2030 financial statements  
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

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

# Independent Auditors' Report

## R.G. Manabat & Co.



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

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

# Independent Auditors' Report

## R.G. Manabat & Co.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate 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 (RR) No. 15-2010 and RR No. 34-2020 of the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the separate financial statements taken as a whole. The supplementary information in Note 27 to the separate financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the separate 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 separate financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the separate financial statements taken as a whole.

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

TIRESO RANDY F. LAPIDEZ

Partner

CPA License No. 0092183

IC Accreditation No. IC-EA-2024-0012-R, Group A, valid for three (3) years covering the audit of 2024 to 2026 financial statements

SEC Accreditation No. 92183-SEC, Group A, valid for five (5) years covering the audit of 2022 to 2026 financial statements

Tax Identification No. 162-411-175

BIR Accreditation No. 08-001987-034-2023

Issued May 25, 2023; valid until May 25, 2026

PTR No. MKT 10764398

Issued January 5, 2026 at Makati City

April 30, 2026

Makati City, Metro Manila

# Independent Auditors' Report

## R.G. Manabat & Co.



R.G. Manabat & Co.  
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### REPORT OF INDEPENDENT AUDITORS TO ACCOMPANY SEPARATE FINANCIAL STATEMENTS FOR FILING WITH THE BUREAU OF INTERNAL REVENUE

The Board of Trustees and Members  
**Knights of Columbus Fraternal Association of the Philippines, Inc.**  
 KCFAPI Center, Gen. Luna corner Sta. Potenciana Streets  
 Intramuros, Manila

We have audited the accompanying separate financial statements of Knights of Columbus Fraternal Association of the Philippines, Inc. (the Company), as at and for the year ended December 31, 2025, on which we have rendered our report dated April 30, 2026.

In compliance with Revenue Regulations V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the managers, president or members of the Board of Trustees of the Company.

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

TIRESO RANDY F. LAPIDEZ  
 Partner  
 CPA License No. 0092183  
 IC Accreditation No. IC-EA-2024-0012-R, Group A, valid for three (3) years  
 covering the audit of 2024 to 2026 financial statements  
 SEC Accreditation No. 92183-SEC, Group A, valid for five (5) years  
 covering the audit of 2022 to 2026 financial statements  
 Tax Identification No. 162-411-175  
 BIR Accreditation No. 08-001987-034-2023  
 Issued May 25, 2023; valid until May 25, 2026  
 PTR No. MKT 10764398  
 Issued January 5, 2026 at Makati City

April 30, 2026  
 Makati City, Metro Manila

Firm Regulatory Registration & Accreditation:  
 PRC-BOA Registration No. 0003, valid until September 20, 2026  
 SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024  
 until the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025, and Certificate of Accreditation issued on  
 March 19, 2026, valid for five (5) years covering the audit of 2026 to 2030 financial statements  
 BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029  
 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

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

# Independent Auditors' Report

## KNIGHTS OF COLUMBUS FRATERNAL ASSOCIATION OF THE PHILIPPINES, INC. SEPARATE STATEMENTS OF FINANCIAL POSITION

As at December 31, 2025 and 2024  
(All amounts in Philippine Peso)

		December 31	
	Note	2025	2024
<b>ASSETS</b>			
Cash and cash equivalents	4, 24	P507,555,709	P283,971,930
Short-term investments	5, 24	331,739,118	333,450,065
Insurance receivables	6, 24	34,919,599	23,115,861
Financial assets	7, 24	6,082,751,431	6,039,861,973
Investments in subsidiaries	8	788,327,694	686,077,694
Property and equipment - net	9	517,665,187	489,021,352
Pension asset - net	20	13,000,112	11,583,369
Other assets		4,244,705	3,525,733
		<b>P8,280,203,555</b>	<b>P7,870,607,977</b>
<b>LIABILITIES AND NET WORTH</b>			
<b>Liabilities</b>			
Insurance contract liabilities	10, 24	P6,153,204,477	P5,867,256,141
Investment contract liabilities	11, 24	258,455,769	240,797,664
Other insurance contract liabilities	10, 24	1,735,633	2,324,017
Members' participation payable	12, 24	144,615,590	130,500,804
Accounts payable and other liabilities	13, 24	179,865,187	152,936,693
<b>Total Liabilities</b>		<b>6,737,876,656</b>	<b>6,393,815,319</b>
<b>Net Worth</b>			
Contribution from founding members		32,000	32,000
Revaluation reserves		473,694,252	448,665,339
Employee benefits reserve		58,398,898	52,194,239
Surplus		1,010,201,749	975,901,080
<b>Total Net Worth</b>		<b>1,542,326,899</b>	<b>1,476,792,658</b>
		<b>P8,280,203,555</b>	<b>P7,870,607,977</b>

See Notes to the Separate Financial Statements.

# Independent Auditors' Report

**KNIGHTS OF COLUMBUS  
FRATERNAL ASSOCIATION OF THE PHILIPPINES, INC.  
SEPARATE STATEMENTS OF ACTIVITIES AND  
OTHER COMPREHENSIVE INCOME**

		Years Ended December 31	
	Note	2025	2024
<b>REVENUES</b>			
Gross earned contributions on insurance contracts	15	P858,798,025	P826,419,214
Reinsurers' share of gross earned contributions on insurance contracts	15	(1,089,438)	(726,947)
<b>NET EARNED CONTRIBUTIONS ON INSURANCE CONTRACTS</b>		<b>857,708,587</b>	<b>825,692,267</b>
Interest income	14	402,852,571	392,471,963
Dividend income	7, 8	63,652,729	59,978,277
Fair value loss on financial assets at fair value through profit or loss	7	(25,657,046)	(7,906,031)
Realized gain on sale of financial assets at fair value through profit or loss	7	16,167,603	8,709,673
Foreign exchange gain - net	24	2,285,150	6,179,250
Other income (expense) - net		1,756,918	(257,526)
<b>TOTAL INVESTMENT INCOME</b>		<b>461,057,925</b>	<b>459,175,606</b>
<b>TOTAL REVENUES</b>		<b>1,318,766,512</b>	<b>1,284,867,873</b>
<b>BENEFITS, CLAIMS, AND OPERATING EXPENSES</b>			
Gross benefits and claims incurred on insurance contracts	16	590,801,731	651,490,673
Gross change in legal policy reserves		294,987,164	222,995,206
Reinsurers' share of gross change in legal policy reserves	10	(489,966)	(377,488)
<b>NET INSURANCE BENEFITS AND CLAIMS</b>		<b>885,298,929</b>	<b>874,108,391</b>
General and administrative expenses	17	187,975,947	168,684,464
Commissions and other direct expenses	18	82,724,120	78,372,107
Interest expense	19	23,396,194	23,283,961
<b>OPERATING EXPENSES</b>		<b>294,096,261</b>	<b>270,340,532</b>
<b>TOTAL BENEFITS, CLAIMS AND OPERATING EXPENSES</b>		<b>1,179,395,190</b>	<b>1,144,448,923</b>

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# Independent Auditors' Report

Years Ended December 31

	Note	2025	2024
<b>EXCESS OF REVENUES OVER EXPENSES BEFORE FINAL TAX</b>			
Provision for final tax	21	P139,371,322 (65,070,653)	P140,418,950 (62,807,311)
<b>EXCESS OF REVENUES OVER EXPENSES BEFORE PARTICIPATION OF BENEFIT CERTIFICATE HOLDERS</b>			
Participation of benefit certificate holders	12	74,300,669 (40,000,000)	77,611,639 (39,000,000)
<b>NET EXCESS OF REVENUES OVER EXPENSES</b>			
		<b>34,300,669</b>	<b>38,611,639</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Gain on revaluation of property and equipment - net	9	<b>25,028,913</b>	47,616,351
Actuarial gain on retirement plan	20	<b>6,204,659</b>	4,596,901
		<b>31,233,572</b>	<b>52,213,252</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			
		<b>P65,534,241</b>	<b>P90,824,891</b>

See Notes to the Separate Financial Statements.

## KNIGHTS OF COLUMBUS FRATERNAL ASSOCIATION OF THE PHILIPPINES, INC. SEPARATE STATEMENTS OF CHANGES IN NET WORTH

Years Ended December 31

	Contribution from Founding Members	Revaluation Reserves	Employee Benefits Reserve (Note 20)	Surplus	Total Net Worth
Balances at January 1, 2024	P32,000	P401,048,988	P47,597,338	P937,289,441	P1,385,967,767
Other Comprehensive Income					
Net excess of revenues over expenses	-	-	-	38,611,639	38,611,639
Other comprehensive income	-	47,616,351	4,596,901	-	52,213,252
Total comprehensive income for the year	-	47,616,351	4,596,901	38,611,639	90,824,891
Balances at December 31, 2024	32,000	448,665,339	52,194,239	975,901,080	1,476,792,658
<b>Other Comprehensive Income</b>					
Net excess of revenues over expenses	-	-	-	<b>34,300,669</b>	<b>34,300,669</b>
Other comprehensive income	-	<b>25,028,913</b>	<b>6,204,659</b>	-	<b>31,233,572</b>
Total comprehensive income for the year	-	<b>25,028,913</b>	<b>6,204,659</b>	<b>34,300,669</b>	<b>65,534,241</b>
<b>Balances at December 31, 2025</b>	<b>P32,000</b>	<b>P473,694,252</b>	<b>P58,398,898</b>	<b>P1,010,201,749</b>	<b>P1,542,326,899</b>

See Notes to the Separate Financial Statements.

# Independent Auditors' Report

## KNIGHTS OF COLUMBUS FRATERNAL ASSOCIATION OF THE PHILIPPINES, INC. SEPARATE STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	2025	2024
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from maturities/disposals of:			
Debt securities at amortized cost	7	P1,334,977,773	P674,777,964
Property and equipment	9	98,167	8,128
Acquisitions of:			
Debt securities at amortized cost	7	(1,284,011,888)	(912,425,080)
Investment in a subsidiary	8	(102,250,000)	(54,000,000)
Property and equipment	9	(12,014,600)	(14,149,268)
Dividends received	7, 8	60,615,215	60,583,416
Net cash used in investing activities		(2,585,333)	(245,204,840)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>223,583,779</b>	<b>(203,016,661)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>283,971,930</b>	<b>486,988,591</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	4	<b>P507,555,709</b>	<b>P283,971,930</b>

See Notes to the Separate Financial Statements.  
Changes in:

Short-term investments		1,710,947	(126,042,849)
Insurance receivables		(11,803,738)	(1,990,929)
Financial assets		(29,005,872)	(7,091,389)
Other assets		(655,972)	48,337
Insurance contract liabilities		(11,135,250)	9,078,434
Investment contract liabilities		17,658,105	4,742,773
Other insurance contract liabilities		(588,384)	(612,892)
Members' participation payable		(25,885,214)	(25,113,997)
Accounts payable and other liabilities		26,901,635	(8,111,797)
		3,737,607	(211,052,232)
Interest received		402,592,943	390,482,735
Acquisition of financial assets at fair value through profit or loss	7	(692,642,261)	(225,090,445)
Proceeds from maturity/disposal of financial assets at fair value through profit or loss	7	602,443,967	178,130,356
Final tax paid	21	(65,070,653)	(62,807,311)
Interest paid		(23,798,960)	(23,164,396)
Contributions to the retirement fund	20	(1,093,531)	(4,310,528)
Net cash provided by operating activities		<b>226,169,112</b>	<b>42,188,179</b>

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# Independent Auditors' Report

		Years Ended December 31	
	Note	2025	2024
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from maturities/disposals of:			
Debt securities at amortized cost	7	P1,334,977,773	P674,777,964
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<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>283,971,930</b>	<b>486,988,591</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>4</b>	<b>P507,555,709</b>	<b>P283,971,930</b>

See Notes to the Separate Financial Statements.

# Notes to the Financial Statements

## KNIGHTS OF COLUMBUS FRATERNAL ASSOCIATION OF THE PHILIPPINES, INC. SEPARATE STATEMENTS OF CASH FLOWS

### 1. Reporting Entity

Knights of Columbus Fraternal Association of the Philippines, Inc. (the Company) was incorporated in the Philippines on August 1, 1958, as a nonstock, nonprofit fraternal beneficiary society. It has been granted perpetual existence after its latest corporate term extension last July 16, 2004, upon effectivity of the Republic Act (RA) No. 11232 otherwise known as the Revised Corporation Code last February 28, 2019.

The Company is a mutual benefit association which provides optimum fraternal benefits program for its members and their immediate families.

The Company is registered with the Insurance Commission (IC) under license number 2025-16-R, effective January 1, 2025, and valid until December 31, 2027.

The registered office address of the Company is KCFAPI Center, Gen. Luna corner Sta. Potenciana Streets, Intramuros, Manila.

### 2. Basis of Preparation

#### Basis of Accounting

These separate financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. They were authorized for issue by the Company's board of trustees (BOT) on April 27, 2026.

In compliance with PFRS 10, *Consolidated Financial Statements*, the Company has prepared consolidated financial statements for the same periods in which it consolidates all investments in subsidiaries in accordance with the said standard. Such consolidated financial statements provide information about the economic activities of the Company and its subsidiaries of which the Company is the parent. Details of the Company's material accounting policies are included in Note 26.

Users of these separate financial statements should read them together with the consolidated financial statements as at and for the years ended December 31, 2025 and 2024 in order to obtain full information on the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company and its subsidiaries as a whole. The consolidated financial statements can be obtained from the Philippine Securities and Exchange Commission (SEC).

#### Basis of Measurement

These separate financial statements have been prepared under the historical cost basis, except for the following items, which are measured on an alternative basis on each reporting date:

Items	Measurement Basis
Financial assets at fair value through profit or loss (FVTPL)	Fair value
Financial assets at fair value through other comprehensive income (FVOCI)	Fair value
Property and equipment - land, building and improvements and leasehold improvements	Fair value
Retirement benefits liability	Present value of the defined benefits obligation (DBO) less fair value of plan assets (FVPA)

#### Functional and Presentation Currency

These separate financial statements are presented in Philippine peso (PHP), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest PHP, unless otherwise indicated.

The Company presents the statement of financial position broadly in the order of liquidity. An analysis regarding the recovery or settlement within twelve (12) months after the financial reporting date (current) and more than 12 months after the financial reporting date (noncurrent) is presented in Note 24.

### 3. Use of Judgments and Estimates

The preparation of the Company's separate financial statements in compliance with PFRS Accounting Standards requires management to make judgments and estimates that affect the reported amounts and disclosures in the separate financial statements. Future events may occur which can cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the Company's separate financial statements as they become reasonably determinable.

#### Judgments

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

#### Product Classification

The Company classifies products as investment and insurance contracts based on the significance of risk transferred. The College Savings Plan (CSP) and flexible annuity deposit were unbundled into investment and insurance components. The Company classifies the investment component of CSP and flexible annuity deposit as investment contracts. All other products of the Company are considered as insurance contracts (see Note 10).

#### Classification of Financial Assets

The Company classifies its financial assets depending on the business model for managing those financial assets and whether the contractual terms of the financial asset are solely payments for principal and interest (SPPI) on the principal amounting outstanding. The Company performs the business model assessment based on observable factors such as:

- Performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel
- Risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- Compensation of business units whether based on the fair value of the assets managed or on the contractual cash flows collected
- Expected frequency, value and timing of sales

In performing the SPPI test, the Company applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, the period for which the interest rate is set, contingent events that would change the amount and timing of cash flows, leverage features, prepayment and extension terms and other features that may modify the consideration for the time value of money.

Further details on the carrying amounts of financial assets are disclosed in Notes 4, 5, 6 and 7.

#### Impairment of Nonfinancial Assets

The Company assesses impairment on nonfinancial assets such as property and equipment and investment in subsidiaries whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- Significant underperformance relative to 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.

The Company recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit's (CGU) to which the asset belongs.

As at December 31, 2025 and 2024, the Company has determined that there are no indications of impairment on its nonfinancial assets, such as, property and equipment - net and investments in subsidiaries.

Further details on the carrying amounts of nonfinancial assets are disclosed in Notes 8 and 9.

#### Determination of Fair Value

If the financial instruments are not traded in an active market, the fair value is determined using valuation techniques. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them.

All models are certified before they are used and are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practicable, models use only observable data, however areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair values of financial instruments.

The specific methods and assumptions used by the Company in estimating the fair values of its financial instruments are disclosed in Note 7.

#### Assumptions and Estimation Uncertainty

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

#### Provision for Expected Credit Losses (ECL) of Financial Assets

The measurement of impairment losses under PFRS 9, *Financial Instruments*, across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of the increase of significant risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include:

# Notes to the Financial Statements

- the Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment;
- the segmentation of financial assets when their ECL is assessed on a collective basis;
- development of ECL models, including the various formulas and the choice of inputs;
- determination of associations between macroeconomic scenarios and, economic inputs, such as gross domestic product (GDP) and the effect on probability of defaults; and
- selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Further details on the carrying amounts of financial assets are disclosed in Notes 4, 5, 6 and 7.

## Impairment of Financial Assets

### (i) Financial Assets at Amortized Cost

For financial assets at amortized cost, a risk sensitive model is used, with computed loss rates based on historical data for stage 1 and stage 2. For stage 3 accounts, the loss rate is based on the loss given default (LGD) rate as probability of default (PD) is assessed to be at 100% (see Note 7).

### (ii) Premiums Due and Uncollected

No impairment allowance is provided for premiums due and uncollected as the Company has a policy to suspend and lapse the accounts which remain unpaid over thirty (30) days. The lapsed account can still be reinstated provided that unpaid premiums are settled (see Note 6).

### (iii) Cash and Cash Equivalents

No impairment allowance is provided for cash and cash equivalents as at December 31, 2025 and 2024 (see Note 4).

## Fair Value of Land, Building and Improvements

The Company's land, building and their related improvements are stated at revalued amount or fair value which were determined by an independent firm of appraisers using the market and cost approaches for land and building and improvements, respectively. Significant adjustments to inputs used in determining the fair value of these assets such as location, utility, current replacement cost and useful life could affect the appraised values of the property and equipment (see Note 9).

## Claims Liability Arising from Insurance Contracts

These consist of legal policy reserves which are determined by the Company's actuary in accordance with the requirements of the Insurance Code (the Code) and represent the amounts which, together with future premiums, are required to discharge the obligations of the benefit certificates. These reserves are determined using generally accepted actuarial practices and have been approved by the IC at the product approval stage.

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

The liability for the life benefit certificates is based on assumptions established at the inception of the contract. At each reporting date, these estimates are reassessed for adequacy and changes will be reflected in adjustments to the liability. The main assumptions used relate to mortality, morbidity and discount rates.

In determining the liability for life benefit certificates, estimates are made as to the expected number of deaths, illnesses or injuries for each of the years in which the Company is exposed to risk. These estimates are based on standard mortality and morbidity tables as required by the Code. The estimated number of deaths, illnesses or injuries determines the value of possible future benefits to be paid out, which will be factored into ensuring sufficient coverage by reserves, which in return is monitored against current and future insurance contributions. These estimates are based on current market returns, as well as expectations about future economic and financial developments.

In accordance with the provision of the Code, estimates for future deaths, illnesses or injuries and investment returns are determined at the inception of the contract and are used to calculate the liability over the term of the contract. The interest rate used to discount future liabilities does not exceed 6% as required by the Code. Likewise, no lapse and expense assumptions are factored in the computation of the liability.

Further details on the terms and assumptions on insurance contract liabilities are disclosed in Note 10.

## Liability Adequacy Test (LAT)

LAT is performed annually to ensure the adequacy of the insurance contract liabilities. In performing these tests, current best estimates of future contractual cash flows, claims handling and policy administration expenses are used. Changes in expected claims that have occurred, but which have not been settled, are reflected by adjusting the liability for claims. Any inadequacy (deficiency) is immediately charged (recognized) under profit or loss. The LAT result supports the adequacy of recorded reserves and that there is no additional reserve requirement for 2025 and 2024.

The sensitivity analysis is disclosed in Note 10.

## Retirement Benefits

The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuation. The actuarial valuation involves making various assumptions. These include the determination of the discount rates and future salary increases, among others. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, DBO are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the DBO.

The sensitivity analysis is disclosed in Note 20.

## 4. Cash and Cash Equivalents

This account consists of:

	Note	2025	2024
Cash equivalents	24	P440,200,000	P244,473,778
Cash in banks	24	66,929,477	39,239,647
Cash on hand		426,232	258,505
	24	P507,555,709	P283,971,930

Cash equivalents pertain to short-term deposits that have average maturities up to three (3) months from acquisition and earn annual interest rates that ranged from 3.1% to 7.5% and from 6.0% to 7.9% in 2025 and 2024, respectively.

Cash in banks earn interest at the prevailing bank deposit rates.

Interest income earned from cash and cash equivalents amounted to P26.46 million and P33.00 million in 2025 and 2024, respectively (see Note 14). Accrued interest amounted to P1.37 million and P1.09 million as at December 31, 2025 and 2024, respectively (see Note 7).

## 5. Short-term Investments

Short-term investments consist of time deposits maturing within one (1) year after reporting period and earn annual interest rates that ranged from 5.0% to 6.5% and from 6.0% to 8.5% in 2025 and 2024, respectively.

As at December 31, 2025 and 2024, the Company's short-term investments amounted to P331.74 million and P333.45 million, respectively (see Note 24).

Interest income earned from short-term investments amounted to P7.93 million and P5.01 million in 2025 and 2024, respectively (see Note 14). Accrued interest amounted to P2.76 million and P3.29 million as at December 31, 2025 and 2024, respectively (see Note 7).

## 6. Insurance Receivables

This account consists of:

	Note	2025	2024
Premiums due and uncollected		P34,722,336	P22,904,637
Due from reinsurers		197,263	211,224
	24	P34,919,599	P23,115,861

Premiums due and uncollected represent outstanding insurance contributions on in-force benefit certificates which are collectible within the Company's grace period of thirty (30) days or one (1) month.

Due from reinsurers pertains to amounts recoverable from the reinsurers in respect of claims already paid by the Company which are due and demandable.

# Notes to the Financial Statements

## 7. Financial Assets

The Company's financial assets as at December 31 are summarized by measurement categories as follows:

	Note	2025	2024
At FVTPL	24	<b>P832,461,344</b>	P751,752,493
At FVOCI (club shares)	24	<b>167,000</b>	167,000
At amortized cost	24	<b>5,250,123,087</b>	5,287,942,480
		<b>P6,082,751,431</b>	P6,039,861,973

The assets included in each of the categories above are detailed below:

### Financial Assets at FVTPL

Financial assets at FVTPL as at December 31 follow:

	Note	2025	2024
Preferred shares	24	<b>P689,307,945</b>	P650,599,385
Common shares	24	<b>143,153,399</b>	101,153,108
		<b>P832,461,344</b>	P751,752,493

The Company's financial assets at FVTPL pertain to investments in listed equity securities. These equity securities are held for trading and are realizable within twelve (12) months from reporting period.

Dividend income arising from financial assets at FVTPL amounted to P50.64 million and P47.32 million in 2025 and 2024, respectively.

Fair value loss on financial assets at FVTPL amounted to P25.66 million and P7.91 million in 2025 and 2024, respectively.

Realized gain on sale of financial assets at FVTPL amounted to P16.17 million and P8.71 million in 2025 and 2024, respectively.

### Financial Assets at Amortized Cost

Financial assets at amortized cost as at December 31 follow:

	Note	2025	2024
Loans and receivables		<b>P817,651,822</b>	P804,929,638
Debt securities	24	<b>4,435,212,985</b>	4,487,565,790
Accrued income:			
Interests:			
Financial assets at amortized cost		<b>34,164,986</b>	33,655,936
Short-term investments	5	<b>2,758,311</b>	3,289,962
Cash and cash equivalents	4	<b>1,374,680</b>	1,092,451
Dividends		<b>9,404,242</b>	6,626,356
	24	<b>5,300,567,026</b>	5,337,160,133
Unearned interest on benefit certificate loans		<b>(30,104,326)</b>	(28,743,537)
Allowance for credit losses		<b>(20,339,613)</b>	(20,474,116)
		<b>P5,250,123,087</b>	P5,287,942,480

The composition of the account as to currency follows:

	Note	2025	2024
PHP		<b>P4,931,593,023</b>	P4,972,230,591
United States dollar (USD)	24	<b>318,530,064</b>	315,711,889
		<b>P5,250,123,087</b>	P5,287,942,480

(a) Loans and receivables as at December 31 follow:

	Note	2025	2024
Benefit certificate loans	24	<b>P674,373,490</b>	P661,631,521
Long-term deposits	24	<b>90,884,784</b>	90,935,910
Due from related parties	23, 24	<b>2,076,283</b>	1,669,378
Mortgage and collateral loans	24	<b>1,851,869</b>	1,574,383
Other receivables	24	<b>48,465,396</b>	49,118,446
		<b>817,651,822</b>	804,929,638
Unearned interest on benefit certificate loans	24	<b>(30,104,326)</b>	(28,743,537)
Allowance for credit losses	24	<b>(19,319,750)</b>	(19,108,550)
		<b>P768,227,746</b>	P757,077,551

Interest income arising from loans and receivables amounted to P61.75 million and P62.39 million in 2025 and 2024, respectively (see Note 14).

Benefit certificate loans pertain to loans issued to benefit certificate holders through cash loans and automatic contribution loans. The loans are issued with the collateral of the cash surrender value of the benefit certificate. Interest rate from these loans in 2025 and 2024 is at 6% to 11% per annum on PHP and USD denominated loans, respectively.

Long-term deposits pertain to time deposits in banks with maturities of more than 360 days or one (1) year which earned interest ranging from 2% to 4% in 2025 and 2024.

Other receivables consist of receivables from employees, sales force, foundations, and the order of the Knights of Columbus. Other receivables also include account balances from closed banks with full provision of allowance for impairment losses and deposits in transit from pending inter-bank transfer on collections received from the service offices. Loans to fraternal counsellors and employees are interest-bearing at 6.0% in 2025 and 2024 and are due and demandable.

Due from related parties, mortgage and collateral loans, and other receivables accounts with nominal value of P19.32 million and P19.11 million were fully provided with allowance for ECL as at December 31, 2025 and 2024, respectively.

An analysis of changes in the gross carrying amount and the corresponding allowance for ECL in relation to due from related parties, mortgage and collateral loans, and other receivables as at December 31 follows:

2025	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1	<b>P28,327,490</b>	<b>P4,926,168</b>	<b>P19,108,549</b>	<b>P52,362,207</b>
New assets originated or purchased	<b>65,628,071</b>	-	-	<b>65,628,071</b>
Assets derecognized or repaid	<b>(65,596,730)</b>	-	-	<b>(65,596,730)</b>
Transfers to Stage 2	-	<b>(211,200)</b>	-	<b>(211,200)</b>
Transfers to Stage 3	-	-	<b>211,200</b>	<b>211,200</b>
At December 31	<b>P28,358,831</b>	<b>P4,714,968</b>	<b>P19,319,749</b>	<b>P52,393,548</b>
Allowance for credit losses as at January 1	<b>P -</b>	<b>P -</b>	<b>P19,108,550</b>	<b>P19,108,550</b>
Provision for credit losses	-	-	<b>211,200</b>	<b>211,200</b>
At December 31	<b>P -</b>	<b>P -</b>	<b>P19,319,750</b>	<b>P19,319,750</b>

2024	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1	<b>P15,382,042</b>	<b>P5,426,015</b>	<b>P18,608,702</b>	<b>P39,416,759</b>
New assets originated or purchased	<b>71,837,483</b>	-	-	<b>71,837,483</b>
Assets derecognized or repaid	<b>(58,892,035)</b>	-	-	<b>(58,892,035)</b>
Transfers to Stage 2	-	<b>(499,847)</b>	-	<b>(499,847)</b>
Transfers to Stage 3	-	-	<b>499,847</b>	<b>499,847</b>
At December 31	<b>P28,327,490</b>	<b>P4,926,168</b>	<b>P19,108,549</b>	<b>P52,362,207</b>
Allowance for credit losses as at January 1	<b>P -</b>	<b>P -</b>	<b>P18,608,702</b>	<b>P18,608,702</b>
Provision for credit losses	-	-	<b>499,848</b>	<b>499,848</b>
At December 31	<b>P -</b>	<b>P -</b>	<b>P19,108,550</b>	<b>P19,108,550</b>

(b) Debt securities at amortized cost as at December 31 follow:

	Note	2025	2024
Corporate bonds	24	<b>P2,833,441,704</b>	P2,930,880,000
Government bonds	24	<b>798,158,216</b>	930,449,540
Retail treasury bonds	24	<b>526,016,147</b>	422,080,556
Republic of the Philippines (ROP) bonds	24	<b>216,289,559</b>	154,155,694
Commercial papers	24	<b>11,307,359</b>	-
Government securities with IC	24	<b>50,000,000</b>	50,000,000
		<b>4,435,212,985</b>	4,487,565,790
Allowance for credit losses		<b>(1,019,863)</b>	(1,365,566)
		<b>P4,434,193,122</b>	P4,486,200,224

Interest income (net of amortization of premium) arising from debt securities at amortized cost amounted to P302.49 million and P288.90 million in 2025 and 2024, respectively (see Note 14). Accrued interest amounted to P34.16 million and P33.66 million as at December 31, 2025 and 2024, respectively.

Corporate bonds mature within one (1) up to twelve (12) years from date of acquisition, bear fixed interest rates ranging from 3.40% to 9.50% and from 2.50% to 9.54% per annum in 2025 and 2024, respectively.

Government bonds consist of fixed income treasury bonds and treasury bills maturing within one (1) up to twenty-five (25) years from date of acquisition which bear fixed interest rates ranging from 2.63% to 18.25% and 6.10% to 18.25% per annum in 2025 and 2024, respectively.

Government bonds consist of fixed income treasury bonds and treasury bills maturing within one (1) up to twenty-five (25) years from date of acquisition which bear fixed interest rates ranging from 2.63% to 18.25% and 6.10% to 18.25% per annum in 2025 and 2024, respectively.

Retail treasury bonds are PHP-denominated bonds maturing within five (5) up to ten (10) years from date of acquisition, and bear fixed interest rates of 2.63% to 6.25% per annum in 2025 and 2024.

ROP bonds are USD-denominated bonds maturing within five (5) up to twenty-four (24) years from date of acquisition, and bears fixed interest rates of 5.50% to 10.63% per annum in 2025 and 2024.

As at December 31, 2025 and 2024, government securities with face amount of P50,000,000 are deposited with the IC as security for benefit certificate holders and creditors of the Company in accordance with Chapter V Section 378 to 385 of the Code. The amount of such fund is determined by and deposited with IC and its purpose is to pay valid claims against insolvent insurance companies.

# Notes to the Financial Statements

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Stage 1 debt securities at amortized cost follows:

2025	Corporate Bonds	Government Bonds	Commercial Papers	Retail Treasury Bonds	ROP Bonds	Government Securities with IC	Total
Gross carrying amount as at January 1	P2,930,880,000	P930,449,540	P -	P422,080,556	P154,155,694	P50,000,000	P4,487,565,790
New assets originated or purchased	602,811,704	402,166,049	11,307,359	123,935,591	143,791,185	-	1,284,011,888
Assets derecognized or repaid	(700,250,000)	(534,457,373)	-	(20,000,000)	(80,270,400)	-	(1,334,977,773)
Amortization of discount	-	-	-	-	-	-	-
Foreign exchange gain	-	-	-	-	(1,386,920)	-	(1,386,920)
At December 31	P2,833,441,704	P798,158,216	P11,307,359	P526,016,147	P216,289,559	P50,000,000	P4,435,212,985
Allowance for credit losses as at January 1	P397,112	P391,942	P -	P515,843	P60,669	P -	P1,365,566
Provision for (reversal of) credit losses	72,306	(104,211)	-	(322,252)	8,454	-	(345,703)
At December 31	P469,418	P287,731	P -	P193,591	P69,123	P -	P1,019,863

2024	Corporate Bonds	Government Bonds	Retail Treasury Bonds	ROP Bonds	Government Securities with IC	Total
Gross carrying amount as at January 1	P2,961,580,000	P815,629,774	P207,535,000	P206,885,260	P50,000,000	P4,241,630,034
New assets originated or purchased	425,035,640	172,389,440	315,000,000	-	-	912,425,080
Assets derecognized or repaid	(455,735,640)	(57,569,674)	(100,454,444)	(61,018,206)	-	(674,777,964)
Amortization of premium	-	-	-	8,288,640	-	8,288,640
At December 31	P2,930,880,000	P930,449,540	P422,080,556	P154,155,694	P50,000,000	P4,487,565,790
Allowance for credit losses as at January 1	P338,934	P499,989	P301,242	P166,586	P30,315	P1,337,066
Provision for (reversal of) credit losses	58,178	(108,047)	214,601	(105,917)	(30,315)	28,500
At December 31	P397,112	P391,942	P515,843	P60,669	P -	P1,365,566

The carrying values of financial assets have been determined as follows:

2025	FVTPL	FVOCI	Amortized Cost	Total
At January 1	P751,752,493	P167,000	P5,287,942,480	P6,039,861,973
Additions	692,642,261	-	1,796,659,132	2,489,301,393
Redemptions	-	-	(87,799,290)	(87,799,290)
Maturities	(586,276,364)	-	(1,727,522,711)	(2,313,799,075)
Fair value gain recognized in profit or loss	(25,657,046)	-	-	(25,657,046)
Amortization of premium	-	-	(21,100,440)	(21,100,440)
Foreign exchange adjustments	-	-	1,809,415	1,809,415
Reversal of credit losses - net	-	-	134,501	134,501
At December 31	P832,461,344	P167,000	P5,250,123,087	P6,082,751,431

2024	FVTPL	FVOCI	Amortized Cost	Total
At January 1	P703,988,762	P167,000	P5,030,168,742	P5,734,324,504
Additions	225,090,445	-	1,014,781,046	1,239,871,491
Redemptions	-	-	(36,372,542)	(36,372,542)
Maturities	(169,420,683)	-	(732,285,910)	(901,706,593)
Fair value gain recognized in profit or loss	(7,906,031)	-	-	(7,906,031)
Amortization of premium	-	-	8,288,640	8,288,640
Foreign exchange adjustments	-	-	3,890,852	3,890,852
Provision for credit losses - net	-	-	(528,348)	(528,348)
At December 31	P751,752,493	P167,000	P5,287,942,480	P6,039,861,973

## Allowance for Credit Losses

The movements in allowance for credit losses as at December 31, 2025 and 2024 are as follows:

	Debt Securities	Loans and Receivables	Total
2025			
At January 1	P1,365,566	P19,108,550	P20,474,116
(Reversal of) provision for credit losses - net	(345,703)	211,200	(134,503)
At December 31	P1,019,863	P19,319,750	P20,339,613
2024			
At January 1	P1,337,066	P18,608,702	P19,945,768
Provision for credit losses - net	28,500	499,848	528,348
At December 31	P1,365,566	P19,108,550	P20,474,116

## 8. Investments in Subsidiaries

The carrying values of investments as at December 31 follow:

	% of Ownership		Amounts	
	2025	2024	2025	2024
Mace Insurance Agency, Inc. (Mace)	100%	100%	P1,999,400	P1,999,400
Keys Realty and Development Corporation (Keys)	98.10%	98.10%	156,328,294	156,328,294
Kompass Credit and Financing Corporation (Kompass)	100%	100%	630,000,000	527,750,000
			P788,327,694	P686,077,694

## Mace

Mace was registered with the Philippine SEC on May 20, 1980. It is primarily engaged in acting as a general or special agent in behalf of certain nonlife insurance companies.

## Keys

Keys was registered with the Philippine SEC on March 11, 1993. It is primarily engaged in rendering mortuary service, pension house operation and in buying and developing real estate for sale and lease.

## Kompass

Kompass was registered with the Philippine SEC on March 13, 2014, primarily to engage in general financing business through the grant of credit facilities to consumers and to industrial and commercial enterprises, either by direct lending or by discounting or factoring of commercial papers or accounts receivables, or by buying and selling contracts, leases, real estate or chattel mortgages, or other evidences of indebtedness, or by leasing of motor vehicles, heavy equipment and industrial machinery, business and office equipment, appliances and other movable property.

The Company invested an additional amount of P102.25 million or 1,022,500 shares at P100 par value and P54 million or 540,000 shares at P100 par value to Kompass in 2025 and 2024, respectively.

The Company's subsidiaries are all incorporated and domiciled in the Philippines.

The audited financial information of the subsidiaries as at and for the years ended December 31 follows:

	2025	2024
<b>Keys</b>		
Total assets	P940,855,596	P942,231,540
Total liabilities	159,462,047	161,042,955
Total revenues	74,508,389	74,678,185
Net income	2,809,880	3,598,940
Total comprehensive income	3,949,153	80,524,243
<b>Mace</b>		
Total assets	17,636,488	14,318,818
Total liabilities	11,239,996	8,918,919
Total revenues	9,367,820	10,155,395
Net income	1,296,591	872,425
Total comprehensive income (loss)	2,769,117	(600,101)
<b>Kompass</b>		
Total assets	690,777,546	576,219,800
Total liabilities	6,599,490	8,578,530
Total revenues	47,932,933	37,175,837
Net income	23,387,431	17,417,234
Total comprehensive income	23,387,431	17,417,234

Dividend income earned and collected from the subsidiaries for the years ended December 31 follows:

	2025	2024
Keys	P9,100,645	P9,189,497
Kompass	3,709,999	3,051,689
Mace	200,000	417,321
	P13,010,644	P12,658,507

## 9. Property and Equipment - net

This account consists of:

	Note	2025	2024
At cost		P20,715,975	P18,401,570
At appraisal value	24	496,949,212	470,619,782
		P517,665,187	P489,021,352

Movements in this account are as follows:

## At Cost

2025	Note	Transportation Equipment	Office and Building Equipment	Furniture and Fixtures	Total
<b>Cost</b>					
At January 1		P8,319,220	P77,909,443	P8,137,043	P94,365,706
Additions		3,827,499	4,118,756	-	7,946,255
Disposals		(1,185,000)	-	-	(1,185,000)
At December 31		10,961,719	82,028,199	8,137,043	101,126,961
<b>Accumulated Depreciation</b>					
At January 1		3,589,961	64,698,751	7,675,424	75,964,136
Depreciation	17	940,673	4,524,302	165,208	5,630,183
Disposals		(1,183,333)	-	-	(1,183,333)
At December 31		3,347,301	69,223,053	7,840,632	80,410,986
Net Book Value		P7,614,418	P12,805,146	P296,411	P20,715,975

# Notes to the Financial Statements

2024	Note	Transportation Equipment	Office and Building Equipment	Furniture and Fixtures	Total
Cost					
At January 1		P11,635,960	P72,185,922	P7,684,035	P91,505,917
Additions		1,200,000	5,723,521	453,008	7,376,529
Disposals		(4,516,740)	-	-	(4,516,740)
At December 31		8,319,220	77,909,443	8,137,043	94,365,706
Accumulated Depreciation					
At January 1		5,009,567	61,798,078	7,514,442	74,322,087
Depreciation	17	1,463,188	2,900,673	160,982	4,524,843
Disposals		(2,882,794)	-	-	(2,882,794)
At December 31		3,589,961	64,698,751	7,675,424	75,964,136
Net Book Value		P4,729,259	P13,210,692	P461,619	P18,401,570

## At Appraised Value

2025	Note	Land	Building and Improvements	Leasehold Improvements	Total
Appraised Value					
At January 1		P397,591,220	P99,296,340	P1,269,371	P498,156,931
Additions		-	3,958,691	109,654	4,068,345
Revaluation increment		28,875,340	(7,187,456)	-	21,687,884
At December 31		426,466,560	96,067,575	1,379,025	523,913,160
Accumulated Depreciation					
At January 1		-	27,245,659	291,490	27,537,149
Depreciation and amortization	17	-	2,513,953	253,875	2,767,828
Revaluation increment		-	(3,341,029)	-	(3,341,029)
At December 31		-	26,418,583	545,365	26,963,948
Net Book Value	24	P426,466,560	P69,648,992	P833,660	P496,949,212

2024	Note	Land	Building and Improvements	Leasehold Improvements	Total
Appraised Value					
At January 1		P344,282,900	P99,125,881	P359,060	P443,767,841
Additions		-	5,862,428	910,311	6,772,739
Revaluation increment		53,308,320	(5,691,969)	-	47,616,351
At December 31		397,591,220	99,296,340	1,269,371	498,156,931
Accumulated Depreciation					
At January 1		-	24,673,512	71,812	24,745,324
Depreciation and amortization	17	-	2,572,147	219,678	2,791,825
At December 31		-	27,245,659	291,490	27,537,149
Net Book Value	24	P397,591,220	P72,050,681	P977,881	P470,619,782

The Company's land, building and improvements were revalued as at December 31, 2025 by an independent SEC-accredited appraiser. An increment (reduction) of P28.88 million and (P7.19 million) in 2025 and P53.31 million and (P5.69 million) in 2024 were recognized in land and building and improvements, respectively, as a result of the revaluation.

The determination of the appraised value for land is categorized under Level 3 in the fair value hierarchy using Market Data Approach. This approach involves direct comparison of the subject property with similar land parcels and real properties for which actual data on recent market transactions are available. Comparable data are adjusted to reflect the differences between each comparable property and the subject property. Elements of comparison include real property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions, location, physical characteristics, and economic characteristics. Direct comparisons are then made between a comparable property and the subject property using a grid analysis taking into consideration possible adjustments based on differences in the elements of comparison. The significant unobservable inputs include price per square meter of each property, allowance for market condition, allowance for asking price discount, and physical adjustments (location, size, elevation, zoning, and corner influence).

The following table summarizes the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements as at December 31:

Unobservable Inputs	Range of Inputs		Relationship of Unobservable Inputs to Fair Value
	2025	2024	
Price per square meter	P165,000 - 195,000	P135,000 - P200,000	The higher the input, the higher the fair value.
Allowance for market condition	0%	0%	The higher the input, the lower the fair value.
Allowance for asking price discount	(5%)	5%	The higher the input, the lower the fair value.
Physical adjustments (location, size, elevation, zoning, and corner influence)	5% to 10%	5% to 10%	The higher the input, the higher the fair value.

The fair value of the buildings and improvements is categorized under Level 3 in the fair value hierarchy using the Depreciated Reproduction Cost Method. This method is an application of the Cost Approach that is used to estimate the value of improvements for fair value purposes or other purposes.

The method involves the estimation of the current cost (Reproduction Cost, New) of replacing an asset with its modern equivalent less deductions for physical deterioration, functional obsolescence and economic obsolescence. The significant unobservable input includes the net reproduction cost. The increase in net reproduction cost will increase the fair value.

Depreciation for all property and equipment amounted to P8.40 million and P7.32 million in 2025 and 2024, respectively (see Note 17).

If land, building and improvements were measured using the cost model, the carrying amounts as at December 31 are as follows:

	2025	2024
Cost		
Land	P1,616,858	P1,616,858
Building	56,656,936	53,382,702
Land and building improvements	9,404,177	8,056,917
Leasehold improvements	1,379,025	1,269,371
	69,056,996	64,325,848
Accumulated Depreciation	(17,893,636)	(16,750,332)
Net Carrying Amount	P51,163,360	P47,575,516

The Company disposed transportation equipment with carrying amount of P1,667 in 2025 and P1,633,946 in 2024, resulting in a gain (loss) on disposal of P96,500 and (P1,625,818) in 2025 and 2024, respectively.

## 10. Insurance Contract Liabilities

### Life Insurance Contract Liabilities

For life benefit certificates with fixed and guaranteed terms (including partially fixed and guaranteed terms), the Company determines assumptions in relation to future deaths and investment returns at inception of the contracts. These assumptions are used for calculating the liabilities during the life of the contract. These assumptions are in compliance with statutory requirements of the IC.

### Terms

Life benefit certificates offered by the Company mainly include: (a) traditional whole life participating policies (with and without anticipated endowments) and a wide range of non-participating riders (i.e., accidental death and dismemberment, critical illness, hospital income, term life, etc.); (b) various non-participating products; and (c) a participating USD single premium product. In addition, the Company offers group yearly renewable term, personal accident and in-patient medical products.

### Assumptions

Material judgment is required in determining the liabilities and in the choice of assumptions relating to benefit certificates and investment contracts. Such assumptions are determined as appropriate and prudent estimates at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals.

Material judgment is required in determining in the choice of assumptions and the liabilities relating to benefit certificates. Assumptions 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 of the Code and guidelines set by the IC.

For benefit certificates, the Company determines the assumptions in relation to future deaths, illnesses or injuries 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 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 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 deteriorations in estimates have an impact.

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

- Mortality and Morbidity Rates

Assumptions are based on standard industry and published mortality and morbidity tables, according to the type of contract written, when appropriate to reflect the Company's own experiences. Assumptions are differentiated by underwriting class and contract type.

For life insurance benefit certificates, increased mortality and morbidity rates would lead to a larger number of claims and claims occurring sooner than anticipated, increasing the expenditure and reducing profits for the members.

- Discount Rates

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits, less the discounted value of the expected theoretical insurance contributions that would be required to meet these future cash outflows. Interest rates used for estimating liabilities are capped at 6.0% as prescribed by the Code and guidelines set by the IC.

Any event could make the statutory minimum reserves prescribed by the Code insufficient. Therefore, the Company conducts tests to review the change in reserve level which would occur if the key assumptions were changed.

The assumptions that have the greatest effect on the Company's separate statement of financial position and separate statement of activities and other comprehensive income in both years are mortality and morbidity and discount rates.

A variation in said assumptions would ultimately impact the overall profitability of the Company's insurance products. The following shows the approximate changes in the products' profit margin as well as the long-term surplus share on in force certificates, assuming an increase or decrease in mortality rates or interest rates and holding other assumptions constant as at December 31:

## Notes to the Financial Statements

2025	Change in Assumptions	Impact on Liabilities	Impact on Excess of Revenue Over Expenses before Final Tax	
			Impact on Revenue Over Expenses before Final Tax	Impact on Net Worth
Mortality/morbidity	10% higher	P91,725,188	(P45,862,594)	(P45,862,594)
	10% lower	(44,292,391)	22,146,196	22,146,196
Discount rate	10% higher	(213,354,813)	106,677,406	106,677,406
	10% lower	485,624,556	(242,812,278)	(242,812,278)

2024	Change in Assumptions	Impact on Liabilities	Impact on Excess of Revenue Over Expenses before Final Tax	
			Impact on Revenue Over Expenses before Final Tax	Impact on Net Worth
Mortality/morbidity	10% higher	P52,351,551	(P26,175,775)	(P26,175,775)
	10% lower	(82,777,894)	41,388,947	41,388,947
Discount rate	10% higher	(221,545,879)	110,772,940	110,772,940
	10% lower	427,198,760	(213,599,380)	(213,599,380)

The correlation of assumptions will have a significant effect on determining the claims liabilities. It should be stressed that these assumptions are nonlinear and larger or smaller impacts cannot be easily gleaned from results of sensitivity analyses.

**Reinsurance**

The Company limits its exposure to loss within insurance operations through participation in reinsurance arrangements. The majority of the business ceded is placed on surplus basis with retention limits varying by product. Amounts payable to reinsurers are estimated in a manner consistent with the assumptions used for ascertaining the underlying benefits and are recognized under the "Accounts payable and other liabilities" account in the liabilities section of the Company separate statement of financial position. Even though the Company may have reinsurance arrangements, it is not relieved of its direct obligations to its benefit certificate holders and thus a credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

Due to reinsurers amounted to P1.63 million and P0.37 million in 2025 and 2024, respectively (see Note 13).

The Company is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any reinsurance contract.

This account consists of:

	Note	2025	2024
Legal policy reserves		<b>P5,987,107,138</b>	P5,690,086,552
Claims payable	24	<b>166,097,339</b>	177,169,589
	24	<b>P6,153,204,477</b>	P5,867,256,141

The analysis of insurance contract liabilities follows:

	2025			2024		
	Insurance Contract Liabilities	Reinsurer's Share of Liabilities	Net	Insurance Contract Liabilities	Reinsurer's Share of Liabilities	Net
Aggregate reserves for ordinary life policies	P5,981,724,958	(P489,966)	P5,981,234,992	P5,686,325,193	(P377,488)	P5,685,947,705
Aggregate reserves for group life policies	5,872,146	-	5,872,146	4,138,847	-	4,138,847
Death claims, maturities and surrender payables	5,987,597,104	(489,966)	5,987,107,138	5,690,464,040	(377,488)	5,690,086,552
	166,097,339	-	166,097,339	177,169,589	-	177,169,589
	<b>P6,153,694,443</b>	<b>(P489,966)</b>	<b>P6,153,204,477</b>	<b>P5,667,633,629</b>	<b>(P377,488)</b>	<b>P5,667,256,141</b>

The analysis of legal policy reserves follows:

	2025	2024
<b>Gross</b>		
With fixed and guaranteed terms:		
Partially fixed and guaranteed - participating	<b>P5,813,195,320</b>	P5,515,968,659
Fixed and guaranteed - nonparticipating	<b>174,401,784</b>	174,495,381
Total gross insurance liabilities	<b>5,987,597,104</b>	5,690,464,040
Recoverable from reinsurers:		
With fixed and guaranteed terms		
Partially fixed and guaranteed - participating	<b>489,966</b>	377,488
<b>Net</b>		
With fixed and guaranteed terms:		
Partially fixed and guaranteed - participating	<b>5,812,705,354</b>	5,515,591,171
Fixed and guaranteed - nonparticipating	<b>174,401,784</b>	174,495,381
<b>Total Net Insurance Liabilities</b>	<b>P5,987,107,138</b>	P5,690,086,552

Movements in legal policy reserves follow:

	2025	2024
At January 1	<b>P5,690,086,552</b>	P5,459,398,098
Tabular net premiums or considerations	<b>599,984,320</b>	559,983,412
Tabular interest	<b>232,138,687</b>	221,611,120
	<b>6,522,209,559</b>	6,240,992,630
Tabular cost	<b>(119,934,289)</b>	(104,029,845)
Reserves released by death	<b>(79,810,245)</b>	(84,153,183)
Reserves released by other terminations	<b>(335,357,887)</b>	(362,554,703)
	<b>(535,102,421)</b>	(550,737,731)
Foreign exchange gain	-	(168,347)
Balance at end of year	<b>P5,987,107,138</b>	P5,690,086,552

Movements in claims payable follow:

	2025	2024
At January 1	<b>P177,169,589</b>	P168,091,155
Claims	<b>449,783,278</b>	494,190,946
Paid	<b>(460,855,528)</b>	(485,112,512)
At December 31	<b>P166,097,339</b>	P177,169,589

The other insurance contract liabilities consists of accumulated special endowment and accumulated return on contribution outstanding at year end amounting to P1.74 million and P2.32 million in 2025 and 2024, respectively (see Note 24).

**11. Investment Contract Liabilities**

This account consists of:

	Note	2025	2024
CSP annuity deposit		<b>P224,506,306</b>	P205,839,683
Flexible annuity deposit		<b>33,949,463</b>	34,957,981
	24	<b>P258,455,769</b>	P240,797,664

CSP annuity deposit pertains to contribution received from benefit certificate holders of KC CSP.

Flexible annuity deposit pertains to contributions to the annuity plan where the accumulation value is paid at the date of maturity.

In 2025 and 2024, CSP annuity deposit earns interest based on 11% fixed annual interest rate with an average term of five (5) to fifteen (15) years, while flexible annuity deposits earn fixed annual interest rate of 8%.

Interest expense on investment contract liabilities amounted to P23.69 million and P23.08 million for the years ended December 31, 2025 and 2024, respectively (see Note 19).

**12. Members' Participation Payable**

Members' participation payable pertains to dividends attributable to members, of which majority of the balance are left to accumulate and held in-trust as opted by the benefit certificate holders. Dividends are paid out, applied to premiums outstanding or accumulated at the option of the policyholder.

Members' participation payable amounted to P144.62 million and P130.50 million as at December 31, 2025 and 2024, respectively (see Note 24).

Participation of benefit certificate holders amounted to P40 million and P39 million in 2025 and 2024, respectively.

The dividends attributable to the members earn at a fixed interest of 0.10% in 2025 and 2024. Interest expense attributable to this account amounts to P0.11 million and P0.09 million for the years ended December 31, 2025 and 2024, respectively (see Note 19).

**13. Accounts Payable and Other Liabilities**

This account consists of:

	Note	2025	2024
Accounts payable	24	<b>P91,128,236</b>	P74,250,055
Accrued expenses	24	<b>33,576,020</b>	32,207,446
Advance contribution payment		<b>27,267,771</b>	22,467,340
Contribution deposits		<b>10,459,677</b>	10,149,556
Due to reinsurers	10, 24	<b>1,626,182</b>	367,865
Withholding tax payable		<b>1,225,114</b>	1,125,426
Others	24	<b>14,582,187</b>	12,369,005
		<b>P179,865,187</b>	P152,936,693

Accounts payable consists mainly of payables to fraternal counsellors, suppliers, and checks unreleased as at year-end. These are normally settled at gross amount within thirty (30) to ninety (90) days.

Accrued expenses mainly represent operating expenses, including estimated expenses incurred during the year but remain unpaid as at year-end.

Advance contribution payment represents premiums contributions received by the Company in excess of premium contribution due as at year-end. Interest expense on advance contribution payment amounted to P0.03 million and P0.01 million for the years ended December 31, 2025 and 2024, respectively (see Note 19). Interest rate on advance contribution payment is 0.002% in 2025 and 2024.

Contribution deposits pertain to amounts received from membership applicants to cover the initial contribution pending issuance of benefit certificate.

Due to reinsurers represents premiums due and unpaid on reinsurance agreements entered into by the Company.

Others represent unpaid fraternal counsellors' accreditation fees and policy dividends.

# Notes to the Financial Statements

## 14. Interest Income

This account consists of:

	Note	2025	2024
Debt securities at amortized cost	7	P302,485,416	P288,895,689
Loans and receivables	7	61,747,180	62,392,456
Cash and cash equivalents	4	26,464,518	32,998,761
Short-term investments	5	7,931,089	5,010,730
Long-term investments		4,224,368	3,174,327
		<b>P402,852,571</b>	<b>P392,471,963</b>

## 15. Gross Earned Contributions on Insurance Contracts

Details of the gross earned contributions on insurance contracts for the years ended December 31 are as follows:

	Gross Earned Contributions	Reinsurer's Share	Net Earned Contributions
<b>2025</b>			
First year	P128,092,186	(P792,283)	P127,299,903
Renewals	681,445,812	(297,155)	681,148,657
Group	49,260,027	-	49,260,027
	<b>P858,798,025</b>	<b>(P1,089,438)</b>	<b>P857,708,587</b>
<b>2024</b>			
First year	P129,669,343	(P15,159)	P129,654,184
Renewals	651,451,506	(711,788)	650,739,718
Group	45,298,365	-	45,298,365
	<b>P826,419,214</b>	<b>(P726,947)</b>	<b>P825,692,267</b>

## 16. Gross Benefits and Claims on Insurance Contracts

This account consists of:

	2025	2024
Maturity claims	P295,499,596	P366,414,179
Death claims	153,490,756	154,591,132
Surrenders	140,824,898	128,898,887
Auto conversion paid-up	870,563	1,430,936
Basic life expense	56,323	55,605
Disability waiver	53,595	77,671
Hospitalization claims	6,000	4,500
Payers' benefits	-	17,763
	<b>P590,801,731</b>	<b>P651,490,673</b>

## 17. General and Administrative Expenses

This account consists of:

	Note	2025	2024
Personnel expenses		P98,351,104	P80,915,141
Prizes and awards		27,807,480	14,307,571
Transportation and travel		8,509,202	12,272,022
Depreciation	9	8,398,011	7,316,668
Trainings and seminars		7,777,660	4,843,371
Repairs and maintenance		6,303,250	6,350,088
Contributions to benevolent causes		6,085,197	5,915,726
Light and water		4,347,608	4,103,127
Postage and communication		3,963,118	4,911,318
Professional fees		3,463,658	5,134,334
Stationery and supplies		3,076,620	2,997,973
Security services		2,168,836	1,797,391
Entertainment, amusement and recreation		1,617,181	1,569,435
Insurance		1,564,103	1,631,635
Taxes and licenses		1,208,250	991,537
Rent	22	892,403	952,934
Market development expenses		705,225	5,363,000
Advertising and promotions		598,542	230,904
Dues and subscriptions		225,726	196,294
(Reversal of) provisions for credit losses - net	7	(134,503)	528,348
Others		1,047,276	6,355,647
		<b>P187,975,947</b>	<b>P168,684,464</b>

Details of personnel expenses included in general and administrative expenses for the years ended December 31 follow:

	Note	2025	2024
Salaries and wages		P79,515,945	P65,717,859
Pension expense	20	6,311,072	5,613,252
Social security costs		5,115,358	3,439,984
Other employee benefits		7,408,729	6,144,046
		<b>P98,351,104</b>	<b>P80,915,141</b>

The Company donates to KC Philippines Foundation, Inc. and Knights of Columbus Fr. George J. Willmann Charities, Inc. for charitable purposes. Total donations to these foundations amounted to P6.09 million and P5.92 million in 2025 and 2024, respectively.

## 18. Commission and Other Direct Expenses

This account consists of:

	2025	2024
Fraternal counsellors' allowances - first year	P38,936,408	P37,870,166
Fraternal counsellors' allowances - renewal	23,627,508	22,578,459
Override allowance	20,160,204	17,923,482
	<b>P82,724,120</b>	<b>P78,372,107</b>

Allowances pertain to commissions earned by the fraternal counsellors from contribution premiums collected from benefit certificate holders and which allowance rates varies per type of plan.

## 19. Interest Expense

This account consists of:

	Note	2025	2024
Interest expense (income), net on:			
Investment contract liabilities	11	P23,685,746	P23,077,165
Retirement plan	20	(429,625)	17,435
Members' participation payable	12	113,214	87,231
Accounts and other liabilities	13	26,809	12,116
Others - net		50	90,014
		<b>P23,396,194</b>	<b>P23,283,961</b>

## 20. Retirement Plan

The Company has a tax-qualified, funded and non-contributory retirement plan (the Plan) covering all of the Company's permanent employees. The Plan is administered by the Banco de Oro - Trust and Investments Group (the Trustee).

The Company's annual contribution to the Plan consists principally of payments which cover the current service cost for the year and the required funding relative to the guaranteed minimum benefits as applicable. The funds are administered by the Trustee under the supervision of the BOT of the Plan which delegates the implementation of the investment policy to the Trustee. These funds are subject to the investment objectives and guidelines established by the Trustee and rules and regulations issued by Bangko Sentral ng Pilipinas covering assets under trust and fiduciary agreements. The Trustee is responsible for the investment strategy of the Plan. As at December 31, 2025 and 2024, the Trustee has no specific matching strategy between the plan assets and the plan liabilities.

The latest actuarial valuation date of the Company's retirement valuation as at December 31, 2025 was made on March 16, 2026.

RA 7641, *An Act Amending Article 287 of Presidential Decree No. 442, as Amended, Otherwise Known as the Labor Code of the Philippines*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity. The law does not require minimum funding of the plan.

The components of the retirement benefits cost recognized in profit or loss for the years ended December 31 follow:

	Note	2025	2024
Current service cost	17	P6,311,072	P5,613,252
Net interest (income) expense	19	(429,625)	17,435
		<b>P5,881,447</b>	<b>P5,630,687</b>

Pension asset - net recognized in the separate statement of financial position are determined as follows:

	2025	2024
Present value of DBO	P72,804,789	P79,212,750
FVPA	(87,281,993)	(91,867,415)
Effect of asset ceiling	1,477,092	1,071,296
Pension assets - net	<b>(P13,000,112)</b>	<b>(P11,583,369)</b>

Movement in pension asset - net includes the effect of asset ceiling amounting to P1.48 million and P1.07 million in 2025 and 2024, respectively.

Movements in the pension asset - net as at and for the years ended December 31 are as follows:

	2025	2024
At January 1	(P11,583,369)	(P8,306,627)
Retirement benefit expense	5,881,447	5,630,687
Remeasurement gain recognized in OCI	(6,204,659)	(4,596,901)
Contributions	(1,093,531)	(4,310,528)
At December 31	<b>(P13,000,112)</b>	<b>(P11,583,369)</b>

Changes in the present value of DBO as at and for the years ended December 31 follow:

	2025	2024
At January 1	P79,212,750	P94,206,012
Current service cost	6,311,072	5,613,252
Interest cost	4,831,978	5,746,567
Actuarial loss	(7,376,818)	(4,857,663)
Benefits paid	(10,174,193)	(21,495,418)
At December 31	<b>P72,804,789</b>	<b>P79,212,750</b>

# Notes to the Financial Statements

Changes in the FVPA as at and for the years ended December 31 follow:

	2025	2024
At January 1	P91,867,415	P103,214,547
Interest income	5,326,952	5,771,948
Remeasurement gain (loss)	(831,712)	65,810
Benefits paid	(10,174,193)	(21,495,418)
Contributions	1,093,531	4,310,528
At December 31	P87,281,993	P91,867,415

The movements in the remeasurement gain on DBO recognized in other comprehensive income as at December 31 follow:

	2025	2024
At January 1	P52,194,239	P47,597,338
Actuarial gain due to:		
Changes in financial assumption	7,376,818	4,857,663
Return on asset excluding amount included in net interest cost	(831,712)	65,810
Effect of asset ceiling	(340,447)	(326,572)
Net changes	6,204,659	4,596,901
At December 31	P58,398,898	P52,194,239

The composition of the Company's plan assets follows:

	2025	2024
Government securities	P38,636,059	P42,825,145
Equities	18,256,545	13,149,138
Unit investment trust funds	13,656,094	12,398,487
Loans	9,111,884	7,197,494
Corporate bonds	6,639,264	7,466,763
Mutual funds	775,870	846,175
Cash - net of payables	206,277	7,984,213
	P87,281,993	P91,867,415

All financial instruments held have quoted prices in active markets. The plan assets have diverse investments and do not have any concentration risk. The plan assets of the Company do not have any investments in the Company's related parties.

No expected contribution to the fund in next financial year.

The present value of the DBO is determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining the DBO for the defined benefit plans as at December 31 are shown below:

	2025	2024
Discount rate	6.42%	6.00%
Salary increase rate	8.00%	9.00%
Average remaining working lives of employees	25.9 years	24.4 years

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	Increase (Decrease)		
	Rates	2025	2024
Discount rate	+1.00%	(P5,856,021)	(P6,537,972)
	-1.00%	6,783,301	7,572,530
Salary increase rates	+1.00%	6,610,589	7,283,994
	-1.00%	(5,826,475)	(6,430,822)

Shown below is the maturity analysis of the Company's DBO based on undiscounted benefit payments:

	2025	2024
Less than 1 year	P6,094,300	P8,435,869
More than 1 year to 5 years	31,170,541	25,289,732
More than 5 years to 10 years	48,925,557	60,881,380

## 21. Income Taxes

As a nonstock, nonprofit mutual benefit Company organized to provide optimum fraternal benefits to its members and their immediate families, the Company's net income over expenses is exempt from payment of income tax as set forth in Section 30 (c) of the National Internal Revenue Code as amended by Executive Order 273.

The tax expense shown in the Company separate statements of activities and other comprehensive income amounting to P65.07 million and P62.81 million for the years ended December 31, 2025 and 2024, respectively, pertain to the final taxes withheld at source from interest income.

## 22. Lease Commitments

### Company as Lessee

The Company has a lease covering its office premises in its Cebu service offices with lease terms ranging from one (1) to three (3) years with no escalation clause. The lease contract expired on December 31, 2025 and was renewed for another year until December 31, 2026. This lease agreement is renewable at the option of both parties.

Future minimum rental payments within one (1) year under noncancellable operating lease amounted to P0.23 million as at December 31, 2025 and 2024.

The aggregate rent expense of the Company recognized on these operating lease agreements included under "General and administrative expenses" account amounted to P0.89 million and P0.95 million in 2025 and 2024, respectively (see Note 17). Deposits made under these operating lease agreements are intended to be applied against the remaining lease payments.

## 23. Related Party Transactions

### Identity of Related Parties

The Company has related party relationships with its key management personnel (KMP) and the following entities:

Related Parties	Relationship
Mace	Subsidiary
Keys	Subsidiary
Kompass	Subsidiary

Related party transactions consist of the following:

Subsidiaries	Year	Note	Amount of the Transaction	Receivables (Note 7)	Terms and conditions
<b>Kompass</b>					
• Non-trade receivables	2025	23a	P261,070	P1,089,264	Collectible in cash at gross amount; noninterest-bearing; due on demand; unsecured
	2024	23a	623,126	828,194	
<b>Mace</b>					
• Non-trade receivables	2025	23a	129,862	473,266	Collectible in cash at gross amount; noninterest-bearing; due on demand; unsecured
	2024	23a	83,484	343,404	
<b>Keys</b>					
• Non-trade receivables	2025	23a	15,973	513,753	Collectible in cash at gross amount; noninterest-bearing; due on demand; unsecured
	2024	23a	38,421	497,780	
<b>TOTAL</b>	2025			P2,076,283	
	2024			P1,669,378	

### (a) Charges for Certain Allocated Expenses

The Company charges its subsidiaries and other entities under common control with certain allocated expenses. These charges are mainly pertaining to utilities, payroll services fees, postage, and miscellaneous expenses. The outstanding receivables arising from these transactions are shown as part of "Loans and receivables" account under financial assets at amortized cost.

### Compensation of KMP

The summary of the compensation of KMP follows:

	2025	2024
Short-term benefits	P31,740,741	P29,526,257
Other long-term benefits	1,032,355	915,684
	P32,773,096	P30,441,941

All outstanding balances of related party transactions are settled in cash.

As at December 31, 2025 and 2024, the Company has not provided any allowance for impairment losses for amount owed by related parties. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

## 24. Management of Insurance and Financial Risks

### Governance Framework

The primary objective of the Company's risk and financial management framework is to protect the Company's members from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognizes the critical importance of having efficient and effective risk management systems in place.

The Company has established a risk management function with clear terms of reference and with the responsibility for developing group wide policies on market, credit, liquidity, insurance and operational risks. It also supports the effective implementation of policies at the overall Company and individual business unit levels.

The policies define the Company's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, alignment of underwriting and reinsurance strategies to the corporate goals and specify reporting requirements.

### Governance Framework

Insurance risk under a benefit certificate is the possibility of the occurrence of an insured event and the uncertainty of the amount and timing of any resulting claim. The principal risk the Company faces under such benefit certificates is that the actual claims and benefit payments exceed the carrying amount of insurance liabilities. This is influenced by the frequency of claims, severity of claims, actual benefits paid are greater than originally estimated and subsequent development of long-term claims.

# Notes to the Financial Statements

## Terms and Conditions

The Company principally writes life insurance where the life of benefit certificate holder is insured against death, illness, injury or permanent disability, usually for predetermined amount. Life benefit certificates offered by the Company mainly include whole life, term insurance and endowments.

Whole life and term insurance are conventional products where lump sum benefits are payable upon death.

Endowment products are investments/savings products where lump sum benefits are payable after a fixed period or on death before the period is completed.

The risks associated with the life and accident and health products are underwriting risk and investment risk.

## Underwriting Risk

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

- Mortality and morbidity risks - risk of loss due to benefit certificate holder death experience being different than expected.
- Longevity risk - risk of loss arising due to the annuitant living longer than expected.
- Investment return risk - risk of loss arising from actual returns being different than expected.
- Expense risk - risk of loss due to expense experience being different than expected.
- Benefit certificate holder decision risk - risk of loss due to benefit certificate holder experiences (lapses and surrenders) being different than expected.

The variability of risks is improved by diversification of risk of loss of a large portfolio of benefit certificates, as a more diversified portfolio is less likely to be affected across the board by change in any subset of the portfolio. The variability of risks is also improved by careful selection and implementation of underwriting strategy and guidelines.

The business of the Company includes underwriting life benefit certificates. For contracts where death is the insured risk, the significant factors that could increase the overall frequency of claims resulting in earlier or more claims than expected are epidemics, widespread changes in lifestyle and natural disasters.

These risks currently do not vary significantly in relation to the location of the risk insured by the Company while undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

The Company aims to control and minimize insurance risk, to reduce volatility of operating profits. The Company manages insurance risk through the following mechanisms:

- The use and maintenance of sophisticated management information systems that provide up to date, accurate and reliable data on risk exposure at any point in time; and
- Actuarial models based on past experience and statistical techniques aid in pricing decisions and monitoring claims pattern. Guidelines are issued for concluding benefit certificates and assuming insurance risks. Proactive claim handling procedures are followed to investigate and adjust claims thereby preventing settlement of dubious or fraudulent claims. Reinsurance is used to limit the Company's exposure to large claims by placing risk with reinsurers providing high security. Diversification is accomplished by achieving sufficiently large population of risks to reduce the variability of the expected outcome. The diversification strategy seeks to ensure that underwritten risks are well-diversified in terms of type and amount of risk, industry and geography. The mix of insurance assets is driven by the nature and term of insurance liabilities. The management of assets and liabilities is closely monitored to attempt to match the expected pattern of claim payments with the maturity dates of assets.

Insurance risk is also affected by the benefit certificate holders' rights to terminate the contract, refusal to pay insurance contributions or to avail the guaranteed annuity option. Thus, the resultant insurance risk is subject to the benefit certificate holders' behavior and decisions.

The Company's concentration of insurance risk before and after reinsurance in relation to the type of benefit certificate follows:

	2025		2024	
	Gross	Net	Gross	Net
Whole life/endowment	P14,304,865,382	P14,205,101,572	P13,421,473,676	P13,314,228,029
Term insurance	528,697,480	528,697,480	575,342,244	573,566,562
Group insurance	3,536,730,000	3,536,730,000	3,438,830,000	3,438,830,000
	<b>P18,370,292,862</b>	<b>P18,270,529,052</b>	<b>P17,435,645,920</b>	<b>P17,326,624,591</b>

## Fair Value of Financial Instruments

Due to the short-term nature of cash and cash equivalents, short-term investments, insurance receivables, benefit certificate loans, due from related parties, other receivables and accrued income, claims payable, investment and insurance contract liabilities, members' participation payable and accounts payable and other liabilities, their carrying values reasonably approximate fair values as at the reporting date. For long-term deposits and mortgage and collateral loans, the carrying value of P90.88 million and P1.85 million in 2025 and P90.94 million and P1.57 million in 2024, respectively, approximate their fair value (see Note 7).

The fair value of financial assets at FVTPL, financial assets at FVOCI that are actively traded in organized financial markets is determined by reference to quoted market prices, at the close of business on the end of the reporting period.

Due to the long-term nature of debt securities at amortized cost, the fair value of these investments is based on the quoted market prices at the end of the reporting date.

The table below presents the Company's assets at fair value by valuation method as at December 31.

2025	Note	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:					
Financial assets at FVOCI	7	P167,000	P -	P -	P167,000
Financial assets at FVTPL	7	832,461,344	-	-	832,461,344
Asset for which fair values are disclosed					
Mortgage and collateral loans	7	-	1,851,869	-	1,851,869
Debt securities at amortized cost	7	-	4,435,212,985	-	4,435,212,985
Property and equipment	9	-	-	496,949,212	496,949,212
		<b>P832,628,344</b>	<b>P4,437,064,854</b>	<b>P496,949,212</b>	<b>P5,766,642,410</b>

2024	Note	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:					
Financial assets at FVOCI	7	P167,000	P -	P -	P167,000
Financial assets at FVTPL	7	751,752,493	-	-	751,752,493
Asset for which fair values are disclosed					
Mortgage and collateral loans	7	-	1,574,383	-	1,574,383
Debt securities at amortized cost	7	-	4,487,565,790	-	4,487,565,790
Property and equipment	9	-	-	470,619,782	470,619,782
		<b>P751,919,493</b>	<b>P4,489,140,173</b>	<b>P470,619,782</b>	<b>P5,711,679,448</b>

There were no transfers between Level 1 and Level 2 fair value movements, and no transfers into and out of Level 3 fair value measurement in 2025 and 2024.

## Financial Risk

The Company is exposed to financial risk through its financial assets, financial liabilities, insurance assets and insurance liabilities. In particular, the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts. The most important components of this financial risk are credit risk, liquidity risk and market risk. These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements.

## Credit Risk

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

The following policies and procedures are in place to mitigate the Company's exposure to credit risk:

- Net exposure limits are set for each counterparty or group of counterparties and industry segment (i.e. limits are set for investments and cash deposits, foreign exchange trade exposures and minimum credit ratings for investments that may be held).
- Guidelines are provided to determine when to obtain collateral and guarantees.
- The maximum amounts and limits that may be advanced to corporate counterparties by reference to their long-term credit ratings are also set.
- Loans to benefit certificate holders are offset against the surrender value of benefit certificates and carry substantially no credit risk.

The Company also enters into reinsurance agreements. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its benefit certificate holders and thus a credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurer may be unable to meet its obligations assumed under such reinsurance agreements. The Company selects only domestic and foreign companies with strong financial standing and with excellent track records to participate in the Company's reinsurance programs.

As at December 31, 2025 and 2024, the carrying values of the Company's financial instruments represent maximum exposure as at reporting date.

There were no amounts that are set-off in accordance with the requirement of Philippine Accounting Standard (PAS) 32, *Financial Instruments: Presentation*. There were no amounts subject to an enforceable master netting arrangements or similar arrangements as at December 31, 2025 and 2024.

Exposure to credit losses on benefit certificate loans is not significant as the cash surrender value of the benefit certificate loans serves as the collateral to these loans. Benefit certificate loans are not approved in excess of its cash surrender value.

In respect of investment securities, the Company secures satisfactory credit quality by setting maximum limits of portfolio securities with a single or group of issuers, excluding those secured on specific assets and setting the minimum ratings for the issuer. The Company sets the maximum amounts and limits that may be advanced to/placed with individual corporate counterparties which are set by reference to their long-term ratings.

The table below shows the maximum exposure to credit risk as at December 31:

	Note	2025	2024
Cash and cash equivalents*	4	<b>P507,129,477</b>	P283,713,425
Short-term investments	5	<b>331,739,118</b>	333,450,065
Insurance receivables	6	<b>34,919,599</b>	23,115,861
Financial assets at FVTPL	7	<b>832,461,344</b>	751,752,493
Financial assets at FVOCI	7	<b>167,000</b>	167,000
Financial assets at amortized cost	7	<b>5,250,123,087</b>	5,287,942,480
		<b>P6,956,539,625</b>	<b>P6,680,141,324</b>

\*excluding cash on hand

# Notes to the Financial Statements

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Company's credit ratings of counterparties as at December 31 (in thousands).

2025	Note	Neither Past Due nor Impaired			Total
		Investment Grade	Non-investment Grade	Past Due or Impaired	
<b>Financial Assets at Amortized Cost</b>					
Cash and cash equivalents	4	P507,556	P -	P -	P507,556
Short-term investments	5	331,739	-	-	331,739
Insurance receivables	6	34,920	-	-	34,920
Benefit certificate loans	7	-	675,116	-	675,116
Long-term deposits	7	90,885	-	-	90,885
Mortgage and collateral loans	7	-	1,852	-	1,852
Due from related parties	7	2,076	-	-	2,076
Other receivables	7	29,145	-	19,320	48,465
Accrued income	7	38,298	-	-	38,298
Dividend Income	7	9,404	-	-	9,404
<b>Financial Assets at Amortized Cost (debt securities)</b>					
Government bonds	7	797,870	-	288	798,158
Corporate bonds	7	2,832,973	-	469	2,833,442
Retail treasury bonds	7	525,822	-	194	526,016
ROP bonds	7	216,221	-	69	216,290
Government securities with IC	7	50,000	-	-	50,000
		<b>P5,466,909</b>	<b>P676,968</b>	<b>P20,340</b>	<b>P6,164,217</b>

2024	Note	Neither Past Due nor Impaired			Total
		Investment Grade	Non-investment Grade	Past Due or Impaired	
<b>Financial Assets at Amortized Cost</b>					
Cash and cash equivalents	4	P283,972	P -	P -	P283,972
Short-term investments	5	333,450	-	-	333,450
Insurance receivables	6	23,116	-	-	23,116
Benefit certificate loans	7	-	632,888	-	632,888
Long-term deposits	7	90,936	-	-	90,936
Mortgage and collateral loans	7	-	1,574	-	1,574
Due from related parties	7	1,669	-	-	1,669
Other receivables	7	30,009	-	19,109	49,118
Accrued income	7	38,038	-	-	38,038
Dividend Income	7	6,626	-	-	6,626
<b>Financial Assets at Amortized Cost (debt securities)</b>					
Government bonds	7	930,058	-	392	930,450
Corporate bonds	7	2,930,483	-	397	2,930,880
Retail treasury bonds	7	421,565	-	516	422,081
ROP bonds	7	154,095	-	61	154,156
Government securities with IC	7	50,000	-	-	50,000
		<b>P5,294,017</b>	<b>P634,462</b>	<b>P20,475</b>	<b>P5,948,954</b>

The Company determines the credit ratings of its counterparties based on the following criteria:

Investment grade are ratings given to counterparties with strong to very strong capacity to meet its obligations.

Non-investment grade financial assets are assets which are vulnerable to impairment due to the assets' significant speculative characteristics. Adverse economic conditions will likely impair non-investment grade financial assets.

Cash and cash equivalents and long-term deposits are deposited to commercial banks in good financial standing and covered by the standard deposit insurance. As part of Company's policy, bank deposits are only maintained with reputable financial institutions.

Financial assets at amortized cost (debt securities) consist mostly of government and corporate issued bonds.

Insurance receivable, benefit certificate loans, and all other loans and receivables are composed significantly of loan to policyholders which are 100% secured by earned cash values, net of outstanding premiums and due from cedants.

The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty or group of counterparties, and to geographical and line of risk segments. The policy of the Company is to deal only with creditworthy counterparties.

The Company applied the general approach under PFRS 9 to measure ECL for its loans and receivables and debt securities.

To measure the ECL, the Company uses 3 categories that reflect the credit risk of the underlying receivable balance and how the loan loss provision is determined for each of those categories. A summary of the assumptions underpinning the Company's ECL model is as follows:

Category	Definition of category	Basis for recognition of credit loss
Stage 1	Counterparty debtors have a low risk of default and a strong capacity to meet contractual cash flows.	12-month expected losses. Where the expected term of the loan is less than 12 months, expected losses are measured at its expected lifetime.
Stage 2	Loans for which there is a significant increase in credit risk	Lifetime expected losses
Stage 3	There is an objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans.	Lifetime expected losses

The tables below show the credit quality of the Company's financial assets:

2025	Grade A	Grade B	Grade C	Carrying Amount	Gross Allowance	Loss Allowance	Carrying Amount
Cash and cash equivalents	P507,555,709	P -	P -	P507,555,709	P -	P -	P507,555,709
Short-term investments	331,739,118	-	-	331,739,118	-	-	331,739,118
Insurance receivables	34,919,599	-	-	34,919,599	-	-	34,919,599
FVTPL	832,461,344	-	-	832,461,344	-	-	832,461,344
FVOCI	167,000	-	-	167,000	-	-	167,000
<b>Financial assets at amortized cost</b>							
12-month ECL	5,246,005,581	-	-	5,246,005,581	1,019,863	-	5,244,985,718
Lifetime ECL - not credit impaired	-	-	5,137,369	5,137,369	-	-	5,137,369
Lifetime ECL - credit impaired	-	-	19,319,750	19,319,750	19,319,750	-	-

2024	Grade A	Grade B	Grade C	Carrying Amount	Gross Allowance	Loss Allowance	Carrying Amount
Cash and cash equivalents	P283,971,930	P -	P -	P283,971,930	P -	P -	P283,971,930
Short-term investments	333,450,065	-	-	333,450,065	-	-	333,450,065
Insurance receivables	23,115,861	-	-	23,115,861	-	-	23,115,861
FVTPL	751,752,493	-	-	751,752,493	-	-	751,752,493
FVOCI	167,000	-	-	167,000	-	-	167,000
<b>Financial assets at amortized cost</b>							
12-month ECL	5,284,381,878	-	-	5,284,381,878	1,365,566	-	5,283,016,312
Lifetime ECL - not credit impaired	-	-	4,926,168	4,926,168	-	-	4,926,168
Lifetime ECL - credit impaired	-	-	19,108,550	19,108,550	19,108,550	-	-

Grade A financial assets pertain to financial assets that are neither past due nor impaired which have good collection status. These financial assets are those which have high probability of collection, as evidenced by counterparties having ability to satisfy their obligations. Grade B financial assets are those past due but not impaired financial assets and with fair collection status. These financial assets include those for which collections are probable due to the reputation and the financial ability to pay of the counterparty but have been outstanding for a length of time. Those financial assets which have continuous default collection issues are included under Grade C financial assets. These financial assets have counterparties that are most likely not capable of honoring their financial obligations.

### Liquidity Risk

Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or the counterparty failing on repayment of a contractual obligation; or the insurance liabilities falling due for payment earlier than expected; or the inability to generate cash inflows as anticipated.

The major liquidity risk confronting the Company is the daily calls on its available cash resources with respect to claims arising from insurance contracts and operating expenses.

The Company manages liquidity by forecasting cash flow requirements. Investments are made in assets with maturities or interest payments which are matched against expected payouts of claims benefits (i.e., amount and duration of assets are matched against amount and duration of liabilities). In addition, significant outflows due to operating expenses (e.g., salaries, bonuses, information technology expenditures, etc.) are scheduled based on an agreed budget timeline. It is unusual for a Company primarily transacting insurance business to predict the requirements of funding with absolute certainty as theory of probability is applied on insurance contracts to ascertain the likely provision and the time period when such liabilities will require settlement. The amounts and maturities with respect to insurance liabilities are thus based on management's best estimates based on statistical techniques and past experience.

The table shows the maturity profile of the Company's financial instruments that are used to manage liquidity and other financial liabilities based on contractual receipts and payments.

2025	Note	Up to a Year*	1 - 3 Years	3 - 5 Years	Over 5 Years	No Maturity Date	Total
<b>Financial assets:</b>							
At amortized cost:							
Cash and cash equivalents	4	P507,555,709	P -	P -	P -	P -	P507,555,709
Short-term investments	5	331,739,118	-	-	-	-	331,739,118
Insurance receivables	6	34,919,599	-	-	-	-	34,919,599
Benefit certificate loans	7	674,373,490	-	-	-	-	674,373,490
Long-term deposits	7	90,884,784	-	-	-	-	90,884,784
Mortgage and collateral loans	7	385,128	1,118,499	348,242	-	-	1,851,869
Due from related parties	7, 23	2,076,283	-	-	-	-	2,076,283
Other receivables	7	48,465,398	-	-	-	-	48,465,398
Accrued income	7	47,702,220	-	-	-	-	47,702,220
At FVTPL:							
Preferred shares	7	-	-	-	-	689,307,945	689,307,945
Common shares	7	-	-	-	-	143,153,399	143,153,399
At amortized cost:							
Government bonds	7	225,967,205	48,694,516	150,134,950	373,361,545	-	798,158,216
Corporate bonds	7	495,370,000	1,424,692,981	665,360,000	248,018,723	-	2,833,441,704
Commercial papers	7	11,307,359	-	-	-	-	11,307,359
Retail treasury bonds	7	-	87,535,000	438,481,147	-	-	526,016,147
ROP bonds	7	23,590,890	11,565,435	181,133,234	-	-	216,289,559
Government securities with IC	7	-	20,000,000	30,000,000	-	-	50,000,000
At FVOCI:							
Club shares	7	167,000	-	-	-	-	167,000
<b>Total financial assets</b>		<b>2,494,504,181</b>	<b>1,593,606,431</b>	<b>1,465,457,573</b>	<b>621,380,268</b>	<b>832,461,344</b>	<b>7,007,409,797</b>
<b>Financial liabilities:</b>							
Other financial liabilities:							
Claims payable	10	166,097,339	-	-	-	-	166,097,339
Investment contract liabilities	11	258,455,769	-	-	-	-	258,455,769
Other insurance contract liabilities	10	1,735,633	-	-	-	-	1,735,633
Members' participation payable	12	144,615,590	-	-	-	-	144,615,590
Accounts payable and other liabilities:							
Accounts payable	13	91,128,236	-	-	-	-	91,128,236
Accrued expenses	13	33,576,020	-	-	-	-	33,576,020
Unearned interest on benefit certificate loans	7, 13	30,104,326	-	-	-	-	30,104,326
Due to reinsurers	13	1,626,182	-	-	-	-	1,626,182
Others	13	14,582,187	-	-	-	-	14,582,187
<b>Total financial liabilities</b>		<b>741,921,282</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>741,921,282</b>
<b>Liquidity position</b>		<b>P1,752,582,899</b>	<b>P1,593,606,431</b>	<b>P1,465,457,573</b>	<b>P621,380,268</b>	<b>P832,461,344</b>	<b>P6,265,488,515</b>

\* Up to a year are all commitments which are either due within the time frame or are payable on demand

# Notes to the Financial Statements

2024	Note	Up to a Year*	1 - 3 Years	3 - 5 Years	Over 5 Years	No Maturity Date	Total
<b>Financial assets:</b>							
At amortized cost:							
Cash and cash equivalents	4	P283,971,930	P -	P -	P -	P -	P283,971,930
Short-term investments	5	333,450,065	-	-	-	-	333,450,065
Insurance receivables	6	23,115,861	-	-	-	-	23,115,861
Benefit certificate loans	7	861,831,521	-	-	-	-	861,831,521
Long-term deposits	7	90,935,910	-	-	-	-	90,935,910
Mortgage and collateral loans	7	37,986	580,772	955,625	-	-	1,574,383
Due from related parties	7, 23	1,869,378	-	-	-	-	1,869,378
Other receivables	7	49,115,446	-	-	-	-	49,115,446
Accrued income	7	44,664,705	-	-	-	-	44,664,705
At FVTPL:							
Preferred shares	7	-	-	-	650,599,385	-	650,599,385
Common shares	7	-	-	-	101,153,108	-	101,153,108
At amortized cost:							
Government bonds	7	468,637,910	98,442,836	130,234,803	233,133,991	-	930,449,540
Corporate bonds	7	739,000,000	1,087,050,000	917,330,000	187,500,000	-	2,930,880,000
Retail treasury bonds	7	20,000,000	87,535,000	314,545,556	-	-	422,080,556
RFP bonds	7	81,100,029	34,764,203	10,412,100	27,879,362	-	154,155,694
Government securities with IC	7	-	20,000,000	30,000,000	-	-	50,000,000
At FVOCI:	7	-	-	-	-	167,000	167,000
Club shares	7	-	-	-	-	167,000	167,000
<b>Total financial assets</b>		<b>2,797,333,741</b>	<b>1,328,372,811</b>	<b>1,403,478,084</b>	<b>448,513,353</b>	<b>751,919,493</b>	<b>6,729,617,482</b>
<b>Financial liabilities:</b>							
Other financial liabilities:							
Claims payable	10	177,169,589	-	-	-	-	177,169,589
Investment contract liabilities	11	240,797,664	-	-	-	-	240,797,664
Other insurance contract liabilities	10	2,324,017	-	-	-	-	2,324,017
Members' participation payable	12	130,500,804	-	-	-	-	130,500,804
Accounts payable and other liabilities:							
Accounts payable	13	74,250,055	-	-	-	-	74,250,055
Accrued expenses	13	32,207,446	-	-	-	-	32,207,446
Unearned interest on benefit certificate loans	7, 13	28,743,537	-	-	-	-	28,743,537
Due to reinsurers	13	367,865	-	-	-	-	367,865
Others	13	12,360,055	-	-	-	-	12,360,055
<b>Total financial liabilities</b>		<b>698,729,982</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>698,729,982</b>
<b>Liquidity position</b>		<b>P2,096,603,759</b>	<b>P1,328,372,811</b>	<b>P1,403,478,084</b>	<b>P448,513,353</b>	<b>P751,919,493</b>	<b>P6,030,887,500</b>

\* Up to a year are all commitments which are either due within the time frame or are payable on demand

The Company believes that cash generated from its operating activities is sufficient to meet currently maturing obligations required to operate the business.

The following tables show an analysis of assets and liabilities analyzed according to whether they are expected to be recovered or settled within one (1) year and beyond one (1) year from financial reporting date.

2025	Note	Due within 1 Year	Due beyond 1 Year	Total
<b>Financial Assets</b>				
Cash and cash equivalents	4	P507,555,709	P -	P507,555,709
Short-term investments	5	331,739,118	-	331,739,118
Insurance receivables	6	34,919,599	-	34,919,599
FVTPL	7	832,461,344	-	832,461,344
FVOCI	7	-	167,000	167,000
Financial assets at amortized cost	7	885,711,242	4,415,598,450	5,301,309,692
		<b>2,592,387,012</b>	<b>4,415,765,450</b>	<b>7,008,152,462</b>
<b>Nonfinancial Assets</b>				
Investment in subsidiaries	8	-	788,327,694	788,327,694
Property and equipment	9	-	625,040,121	625,040,121
Pension asset - net	20	-	13,000,112	13,000,112
Other assets	-	-	4,181,705	4,181,705
		-	<b>1,430,549,632</b>	<b>1,430,549,632</b>
<b>Less:</b>				
Unearned interest on benefit certificate loans	7, 13	30,104,326	-	30,104,326
Allowance for credit losses	7	20,339,613	-	20,339,613
Accumulated depreciation	9	-	107,374,934	107,374,934
		<b>50,443,939</b>	<b>107,374,934</b>	<b>157,818,873</b>
<b>TOTAL ASSETS</b>		<b>P2,541,943,073</b>	<b>P5,738,940,148</b>	<b>P8,280,883,221</b>

2025	Note	Due within 1 Year	Due beyond 1 Year	Total
<b>Financial Liabilities</b>				
Investment contract liabilities	11	P258,455,769	P -	P258,455,769
Other insurance contract liabilities	10	1,735,633	-	1,735,633
Members' participation payable	12	144,615,589	-	144,615,589
Accounts payable and other liabilities	13	179,865,187	-	179,865,187
		<b>584,672,179</b>	<b>-</b>	<b>584,672,179</b>
<b>Nonfinancial Liabilities</b>				
Insurance contract liabilities	10	6,153,204,477	-	6,153,204,477
<b>TOTAL LIABILITIES</b>		<b>P6,737,876,655</b>	<b>P -</b>	<b>P6,737,876,655</b>

2024	Note	Due within 1 Year	Due beyond 1 Year	Total
<b>Financial Assets</b>				
Cash and cash equivalents	4	P283,971,930	P -	P283,971,930
Short-term investment	5	333,450,065	-	333,450,065
Insurance receivables	6	23,115,861	-	23,115,861
FVTPL	7	751,752,493	-	751,752,493
FVOCI	7	-	167,000	167,000
Financial assets at amortized cost	7	1,747,147,154	3,590,012,979	5,337,160,133
		<b>3,139,437,503</b>	<b>3,590,179,979</b>	<b>6,729,617,482</b>
<b>Nonfinancial Assets</b>				
Investment in subsidiaries	8	-	686,077,694	686,077,694
Property and equipment - gross	9	-	592,522,637	592,522,637
Pension asset - net	20	-	11,583,369	11,583,369
Other assets	-	-	3,525,733	3,525,733
		-	<b>1,293,709,433</b>	<b>1,293,709,433</b>
<b>Less:</b>				
Unearned interest on benefit certificate loans	7, 13	28,743,537	-	28,743,537
Allowance for credit losses	7	20,474,116	-	20,474,116
Accumulated depreciation	9	-	103,501,285	103,501,285
		<b>49,217,653</b>	<b>103,501,285</b>	<b>152,718,938</b>
<b>TOTAL ASSETS</b>		<b>P3,090,219,850</b>	<b>P4,780,388,127</b>	<b>P7,870,607,977</b>

2024	Note	Due within 1 Year	Due beyond 1 Year	Total
<b>Financial Liabilities</b>				
Investment contract liabilities	11	P240,797,664	P -	P240,797,664
Other insurance contract liabilities	10	2,324,017	-	2,324,017
Members' participation payable	12	130,500,804	-	130,500,804
Accounts payable and other liabilities	13	152,936,693	-	152,936,693
		<b>526,559,178</b>	<b>-</b>	<b>526,559,178</b>
<b>Nonfinancial Liabilities</b>				
Insurance contract liabilities	10	5,867,256,141	-	5,867,256,141
<b>TOTAL LIABILITIES</b>		<b>P6,393,815,319</b>	<b>P -</b>	<b>P6,393,815,319</b>

### Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk consists of three types of risks: foreign exchange rates (currency risk), market interest rates (fair value and cash flow interest rate risks) and market prices (equity price risk).

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

- Set out the assessment and determination of what constitutes market risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment; and
- Establish asset allocation and portfolio limit structure, to ensure that assets back specific benefit certificate holders' liabilities and that assets are held to deliver income and gains for benefit certificate holders which are in line with expectations of the benefit certificate holders.

### Currency Risk

The Company's principal transactions are carried out in PHP and its foreign exchange risk arises primarily with respect to USD, in which some of its investments and products are denominated. The Company's financial assets are primarily denominated in the same currencies as its insurance contracts, which mitigate the foreign exchange rate risk. Thus, the main foreign exchange risk arises from recognized assets and liabilities denominated in currencies other than in which the insurance contracts are expected to be settled. The following table shows the details of the Company's foreign currency denominated monetary assets and liabilities and their PHP equivalents as at December 31, 2025 and 2024.

	2025		2024	
	USD	PHP	USD	PHP
<b>Assets</b>				
Cash and cash equivalents	\$51,542	P3,030,159	\$66,302	P3,834,908
Financial assets at amortized cost	5,418,099	318,530,064	5,458,366	315,711,899
	<b>5,469,641</b>	<b>321,560,223</b>	<b>5,524,668</b>	<b>319,546,797</b>
<b>Liabilities</b>				
Legal policy reserves	2,738,398	160,990,395	3,204,268	185,334,861
Members' participation payable	1,910	112,309	7,844	453,697
Claims payable	266,536	15,669,642	178,613	10,330,976
Accounts payable and other liabilities	24,658	1,449,647	23,788	1,375,898
	<b>3,031,502</b>	<b>178,221,993</b>	<b>3,414,513</b>	<b>197,495,432</b>
<b>Net USD Assets</b>	<b>\$2,438,139</b>	<b>P143,338,230</b>	<b>\$2,110,155</b>	<b>P122,051,365</b>

The exchange rate used is P58.79 to US\$1 in 2025 and P57.84 to US\$1 in 2024.

The analysis below is performed for reasonably possible movements in PHP-USD exchange rates with all other variables held constant, showing the impact on profit before tax (due to changes in fair value of currency sensitive monetary assets and liabilities).

	2025	2024
Effect on excess of revenue over expenses before tax		
Change in variables		
+1.00%	+/- P1,433,382	+/- P1,220,514

The Company determined the reasonably possible change in foreign exchange rates using percentage changes in year-end closing rate for the past two years. The sensitivity analysis includes only outstanding foreign currency denominated monetary assets and liabilities as at reporting date.

There is no impact on the Company's equity other than those already affecting profit or loss.

Details of the Company's foreign exchange gain - net follow:

	2025	2024
Unrealized foreign exchange gain - net	P1,809,415	P3,890,852
Realized foreign exchange gain - net	475,735	2,288,398
	<b>P2,285,150</b>	<b>P6,179,250</b>

# Notes to the Financial Statements

## Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

The Company takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may also result in losses in the event that unexpected movements arise. The Company's investment portfolio is exposed to market risk depending on the nature of underlying securities. For example, a bond fund which is comprised mainly of debt securities are primarily exposed to interest rate risk, while an equity fund is exposed to price risk.

The Company's cash and cash equivalents, short-term investment, and financial assets at amortized cost (interest bearing loans and receivable and debt securities) carry fixed interest and measured at amortized cost. Hence, not subject to significant cash flow and fair value interest rate risk. The Company does not have interest bearing financial assets measured at fair value, and thus, there is no significant exposure to fair value interest rate risk.

## Equity Price Risk

The Company's equity price risk exposure at year-end relates to financial assets whose values will fluctuate as a result of changes in market prices, principally, FVTPL and FVOCI equity securities. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market.

The analysis below is performed for reasonably possible movements in price index with all other variables held constant, showing the impact to the total comprehensive income of equity shares under FVTPL and FVOCI.

	Change in Price Index	Impact on Net Worth
2025	+/-4.1%	+/- P34,137,762
2024	+/-3.20%	+/-24,061,424

The expected equity price change is arrived at using the reasonable possible change of Philippine Stock Exchange index and the specific adjusted beta of each stock the Company holds. Adjusted beta is the forecasted measure of the volatility of a security or a portfolio in comparison to the market as a whole.

## 25. Capital Management

### Capital Management Framework

The Company manages its capital through its compliance with the statutory requirements on Margin of Solvency (MOS), minimum paid-up capital and minimum net worth. The Company is also complying with the statutory regulations on Risk-based Capital (RBC) to measure the adequacy of its statutory surplus in relation to the risks inherent in its business. The RBC method involves developing a risk-adjusted target level of statutory surplus by applying certain factors to various asset, insurance contribution and reserve items.

Higher factors are applied to more risky items and lower factors are applied to less risky items.

Thus, the target level of statutory surplus varies not only as a result of the insurer's size, but also on the risk profile of the insurer's operations.

A substantial portion of the Company's long-term insurance business includes policies where the investment risk is borne by benefit certificate holders. Risk attributable to benefit certificate holders is actively managed keeping in view their investment objectives and constraints.

### Regulatory Framework

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

The operations of the Company 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., MOS 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, RBC requirements).

Externally-imposed capital requirements are set and regulated by the IC. These requirements are put in place to ensure that the Company remains financially viable to pay its short and long-term liabilities.

### Guaranty Fund

As a mutual benefit Company, the IC requires the Company to possess a guaranty fund of P12.50 million. This minimum amount shall be maintained at all times. The Company has a guaranty fund consisting of government securities amounting to P50,000,000 as at December 31, 2025 and 2024.

### MOS

Under the Code, a life insurance company doing business in the Philippines shall maintain at all times an MOS equal to P500,000 or P2 per thousand of the total amount of its insurance in force as at the preceding calendar year on all benefit certificates, except term insurance, whichever is higher. The MOS shall be the excess of the value of its admitted assets (as defined under the Code), exclusive of paid-up capital, over the amount of its liabilities, unearned premiums and reinsurance reserves. The estimated amounts of the Company's non-admitted assets, as defined in the Code, are included in the accompanying separate statements of financial position. These assets, which are subject to final determination by the IC, are as follows:

	2025	2024
Accounts receivable and other assets	P47,338,071	P45,191,224
Property and equipment	12,330,278	9,426,532
	<b>P59,668,349</b>	<b>P54,617,756</b>

The Company exclusively writes life benefit certificates, hence, has only minimal MOS requirement of P500,000 to which it complies.

The final amount of the MOS can only be determined after the accounts of the Company have been examined by the IC, particularly with respect to the determination of admitted and non-admitted assets as defined under the Code.

If an insurance Company failed to meet the minimum required MOS, the IC is authorized to suspend or revoke all certificates of authority granted to such companies, its officers and agents, and no new business shall be done by and for such Company until its authority is restored by the IC.

As at December 31, the surplus available for MOS for the Company are as follows:

	2025	2024
Admitted assets	P8,280,203,555	P7,870,607,977
Admitted liabilities	6,737,876,656	6,393,815,319
Net worth	1,542,326,899	1,476,792,658
Less unappropriated surplus	1,010,201,749	975,901,080
Surplus available for MOS	<b>P532,125,150</b>	<b>P500,891,578</b>

### RBC Requirements 2 (RBC2)

In 2016, the IC issued Circular Letter No. 2016-68, *Amended RBC2 Framework*, pursuant to Section 437 of the Amended Insurance Code. The RBC 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 (e.g. Capital Stock, Statutory Deposit, Capital Stock Subscribed, Contributed Surplus, etc.). Tier 2 Capital does not have the same high-quality characteristics of Tier 1 capital, but can provide an additional buffer to the insurer. Tier 2 Capital shall not exceed 50% of Tier 1 Capital.

The minimum RBC ratio is set at 100%. All insurance companies are required to maintain the minimum RBC ratio and not fail the Trend Test.

IC Circular Letter No. 2016-69, *Implementation Requirements for Financial Reporting, Valuation Standards for Insurance Policy Reserves and Amended RBC2 Framework*, provides that the level of sufficiency for the RBC2 Framework shall be at 95% level in 2017, 97.50% in 2018 and 99.50% in 2019.

The following shows how the RBC was determined as at December 31:

	2025	2024
Members' equity/net worth	P1,482,658,550	P1,422,174,902
RBC requirement	831,642,143	712,159,273
RBC ratio	<b>178.28%</b>	199.70%

The final amount of the RBC ratio can be determined only after the accounts of the Company have been examined by the IC specifically as to admitted and non-admitted assets as defined under the same Code.

## 26. Material Accounting Policies

The Company has consistently applied the following accounting policies presented in these separate financial statements, except for the adoption of amendments to standards as discussed below.

### Adoption of Amendment to Standard

The Company has adopted the following amendment to standard starting January 1, 2025, and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption of these amendments to standards did not have any significant impact on the Company's separate financial statements.

- Lack of Exchangeability (Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates*). The amendments clarify that a currency is exchangeable into another currency when a company is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

When a currency is not exchangeable, a company needs to estimate a spot rate. The objective in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how to estimate the spot exchange rate to meet the objective and an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments require new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements, including the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process, and risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted. Comparative information is not restated and the effect of initially applying the amendments are adjusted to the opening balance of retained earnings, or to the cumulative amount of translation differences if the company uses a presentation currency other than its functional currency.

# Notes to the Financial Statements

## Product Classification

Insurance contracts are those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the benefit certificate holders) by agreeing to compensate the benefit certificate holders if a specified uncertain future event (the insured event) adversely affects the benefit certificate holders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

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. Investment contracts can however be reclassified as insurance contracts after inception if the insurance risk becomes significant.

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 (a) likely to be a significant portion of the total contractual benefits, (b) whose amount or timing is contractually at the discretion of the issuer, and (c) that are contractually based on the performance of a specified pool of contracts or a specified type of contract, (ii) realized and/or unrealized investment returns on a specified pool of assets held by the issuer, or (iii) the revenue and expenses of the Company, fund or other entity that issues the contract.

Investment contracts are those contracts that transfer significant 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 currency exchange rate, index of price or rates, a credit rating or credit index or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract.

## 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 or less months and that are subject to an insignificant risk of change in value.

## Insurance Receivables

Insurance receivables are recognized when due and measured on initial recognition at the fair value of the consideration paid plus incremental cost. Subsequent to initial recognition, insurance receivables are measured at amortized cost, using the effective interest method. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the Company separate statement of activities and other comprehensive income. Insurance receivables are derecognized following the derecognition criteria of financial assets.

## Financial Instruments

### (i) *Initial Recognition and Measurement*

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, FVOCI and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of loans and receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company measures a financial asset at its fair value plus or minus, in the case of a financial asset not at FVTPL, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset, such as fees and commission. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Loans and receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are SPPI on the principal amount outstanding.

This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

### (ii) *Subsequent Measurement*

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through profit or loss

### (iii) *Financial Assets at FVOCI (Equity Instruments)*

Upon initial recognition, the Company can elect to classify irrevocably its equity instruments designated at FVOCI when they meet the definition of equity under PAS 32 and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Changes in fair value is recognized in OCI and accumulated as part of "Other reserves" in the net worth section of the Company's separate statement of financial position. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the Company's separate statement of activities and other comprehensive income when right of payment has been established, except when the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

As at December 31, 2025 and 2024, the Company's financial assets at FVOCI pertains to club shares.

### (iv) *Financial Assets at Amortized Cost (Debt Instruments)*

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes cash and cash equivalents, short-term investments, insurance receivables, loans and receivables, long term deposit, accrued income, government bonds, corporate bonds, retail treasury bonds, ROP bonds and other government securities with IC.

### (v) *Financial assets at FVTPL (Equity Instruments)*

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the Company's separate statement of financial position at fair value with net changes in fair value recognized in the Company separate statement of activities and other comprehensive income. This category includes listed equity securities held by Company.

Income earned on these equity investments is reported in the Company's separate statement of activities and other comprehensive income under "Dividend income".

As at December 31, 2025 and 2024, the Company's financial assets at FVTPL pertains to preferred and common shared in listed equity securities.

### (vi) *Reclassification*

Reclassifications should be accounted for only when an entity changes its business model for managing financial assets. Changes to the business model are expected to be infrequent; the change is determined by the entity's senior management as a result of external or internal changes and must be significant to the entity's operations and should be evident to external parties. A change in an entity's business model will occur when an entity either begins or ceases to perform an activity that is significant to its operations.

Reclassifications should be accounted for prospectively from the reclassification date. An entity should not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

### (vii) *Impairment*

ECL represents credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions.

ECL allowances are measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a significant increase in credit risk (SICR) since initial recognition (General Approach). The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECL are credit losses that results from all possible default events over the expected life of a financial instrument.

# Notes to the Financial Statements

The Company records ECL for all loans and receivables and financial assets at FVOCI.

The Company's cash and cash equivalents, short term and long term investments and investments in debt securities are rated as investment grade by the global rating agency. Accordingly, these investments are considered to be low credit risk investments. The ECL calculation is based on historical loss experience adjusted for current conditions and forecasts of future economic conditions using reasonable and supportable information available as at the reporting date. The Company applied simplified approach in calculating ECL on these investments and does not track changes in credit risk but instead recognizes an allowance based on lifetime ECL at each reporting period.

## (vii) Staging Assessment

A three-stage approach for impairment of financial assets is used, based on whether there has been a significant deterioration in the credit risk of a financial asset. These three stages then determine the amount of impairment to be recognized.

For non-credit-impaired financial instruments:

- Stage 1 is comprised of all financial instruments which have not experienced a Significant Increase in Credit Risk (SICR) since initial recognition or is considered of low credit risk as at the reporting date. The Company recognizes a 12-month ECL for Stage 1 financial instruments.
- Stage 2 is comprised of all financial instruments which have experienced a SICR since initial recognition. The Company recognizes a lifetime ECL for Stage 2 financial instruments.

For credit-impaired financial instruments:

- Stage 3 is comprised of all financial assets that have objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Company recognizes a lifetime ECL for Stage 3 financial instruments.

## (ix) Definition of "Default"

- The Company defines a financial instrument as in default when it is credit impaired or becomes past due on its contractual payments for more than ninety (90) days. As part of a qualitative assessment of whether a customer is in default, the Company considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted. An instrument is considered to be no longer in default (i.e. restored) if there is sufficient evidence to support that full collection is probable and payments are received for at least six months.

The Company assesses the impairment of financial assets based on a forward-looking ECL model. The ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. This applies to financial assets measured at amortized cost or at FVOCI.

## (x) Significant Increase in Credit Risk

The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if based on the Company's aging information, the customer becomes past due over ninety (90) days. In subsequent periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company shall revert to recognizing a 12-month ECL.

## (xi) ECL Parameters and Methodologies

ECL is a function of the PD, LGD and EAD, with the timing of the loss also considered, and is estimated by incorporating forward-looking economic information and through the use of experienced credit judgment.

The PD is an estimate of the likelihood of default over a 12-month horizon for Stage 1 or lifetime horizon for Stage 2. The PD for each individual instrument is modelled based on historical data and is estimated based on current market conditions and reasonable and supportable information about future economic conditions. The Company segmented its credit exposures based on homogenous risk characteristics and developed a corresponding PD methodology for each portfolio. The PD methodology for each relevant portfolio is determined based on the underlying nature or characteristic of the portfolio, behavior of the accounts and materiality of the segment as compared to the total portfolio.

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral.

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.

## (xii) Forward-looking Information

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the separate financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The Company uses data based on availability and credibility of sources - an analysis of historical data to estimate relationships between macro-economic variables and credit risk and credit losses. The key external drivers may include variables such as interest rates, inflation rates, recovery rate, credit ratings or credit grade and other macroeconomic variables and forecasts.

## (xiii) Financial Liabilities

Financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities. The category depends on the purpose for which the liabilities were incurred and whether they are quoted in an active market. Management determines the category of its financial liabilities at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date. The Company does not have financial liabilities at FVTPL.

Financial liabilities at amortized cost are contractual obligations which are either to deliver cash or another financial asset to another entity to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

The Company's financial liabilities at amortized cost include claims payable, investment contract liabilities, other insurance contract liabilities, members' participation payable and accounts and other liabilities (other than liabilities covered by the other accounting standards, such as pension liability and government and statutory liabilities).

The Company recognizes a financial liability in the separate statement of financial position when it becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized cost are recognized when the Company becomes a party to the contractual provision of the instruments. Financial liabilities at amortized cost are initially measured at fair value plus transaction costs.

The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, the Company's financial liabilities are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest method. The amortization is included as "Interest expense" in the separate statement of activities and other comprehensive income.

## (xiv) Derecognition of Financial Assets and Liabilities

### Financial Assets

A financial asset (or, where applicable, a part of financial asset or part of a group of similar financial assets) is derecognized when, and only when:

- the contractual right to receive cash flows from the assets have expired; or
- the Company retains the contractual right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third-party or the Company has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When an entity retains the contractual rights to receive the cash flows of a financial asset but assumes a contractual obligation to pay those cash flows to third-party, the entity treats the transaction as a transfer of a financial asset if, and only if, all the following three conditions are met:

- (a) The entity has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the entity with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition.
- (b) The entity is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.

# Notes to the Financial Statements

- (c) The entity has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the entity is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents (as defined in *PAS 7, Statement of Cash Flows*) during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

Where the Company has transferred its right 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 Company'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 consideration that the Company could be required to pay.

When an entity transfers a financial asset (see paragraph 3.2.4), it shall evaluate the extent to which it retains the risks and rewards of ownership of the financial asset. In this case:

- (a) if the entity transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.
- (b) if the entity retains substantially all the risks and rewards of ownership of the financial asset, the entity shall continue to recognize the financial asset.
- (c) if the entity neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the entity shall determine whether it has retained control of the financial asset. In this case:
- (i) if the entity has not retained control, it shall derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.
- (ii) if the entity has retained control, it shall continue to recognize the financial asset to the extent of its continuing involvement in the financial asset.

#### Financial Liabilities

Financial liabilities are 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 the 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 profit or loss.

#### Benefit Certificate Loans

Benefit certificate loans are carried at their unpaid balances and are fully secured by the benefit certificate values on which the loans are made.

#### Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the separate statements 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. The Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Company and all of the counterparties.

#### 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:

- In the principal market for the asset or liability, or
- 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 to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Company's separate 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 Company's separate financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### Reinsurance

Contracts entered into by the Company with reinsurers, which compensate the Company for losses on one or more contracts issued by the Company and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Insurance contracts entered into by the Company under which the contract holder is another insurer (inward reinsurance) are classified as insurance contracts. Income from reinsurance contracts are classified within "Reinsurers' share of gross earned contribution on insurance contracts" in the Company's separate statement of activities and other comprehensive income.

The benefits recoverable by the Company under its reinsurance contracts are recognized as reinsurance assets. These assets consist of amounts due from reinsurers classified within "Insurance receivables" account in the Company's separate statement of financial position. Due to reinsurers for reinsurance contracts are recognized as an expense upon recognition of premiums on the related insurance contract, classified within "Accounts payable and other liabilities" account in the Company's separate statement of financial position. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with terms of each reinsurance contract.

The Company assesses its reinsurance assets for impairment at least annually. If there is objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance assets to its recoverable amount and recognizes impairment loss in profit or loss. The Company gathers the objective evidence that a reinsurance asset is impaired using the same process for financial assets held at amortized cost. The impairment loss is also calculated following the same method used for financial assets.

Gains or losses on buying reinsurance, if any, are recognized in Company separate statement of activities and other comprehensive income immediately at the date of purchase and are not amortized.

Ceded reinsurance arrangements do not relieve the Company from its obligations to benefit certificate holders.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or has expired or when the contract is transferred to another party.

#### Investments in Subsidiaries

Subsidiary is an entity controlled by the Company. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Investment in a subsidiary is carried at cost less any impairment in value in the Company's separate financial statements. Distributions from accumulated profits of the investee are recognized as dividend income from the investments.

#### Property and Equipment

Property and equipment are measured at cost, net of accumulated depreciation and amortization and any impairment loss, except for land which is measured at fair value, and buildings and improvements which are measured at fair value less accumulated depreciation and amortization and any impairment loss.

The initial cost of property and equipment consists of its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the fixed assets have been put into operations, such as repairs and maintenance, are normally charged against Company separate statement of activities and other comprehensive income in the period in which 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.

Following initial recognition at cost, land and buildings and improvements are carried at revalued amounts which are the fair values at the date of the revaluation, as determined by an independent firm of appraisers, less any subsequent accumulated depreciation and amortization (on buildings and improvements) and accumulated impairment loss. Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Revaluations are performed normally every three to five years such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

# Notes to the Financial Statements

Depreciation and amortization are computed on a straight-line basis over the estimated useful life (EUL) of the respective assets. Leasehold improvements are amortized over the shorter of the related lease terms or their EUL. The EUL and depreciation and amortization method are reviewed periodically to ensure that the period and method are consistent with the expected pattern of economic benefits from items of property and equipment.

The EUL of property and equipment follow:

Category	Number of Years
Buildings and building improvements	5 - 40
Transportation equipment	5
Leasehold improvements	5
Office and building equipment	3-5
Furniture and fixtures	5

Any revaluation increment is credited to the revaluation increment on property and equipment in OCI and accumulated as part of "Other reserves" in the net worth section of the Company's separate statement of financial position. Decreases in valuation is charged to profit or loss, except to the extent that it reverses the existing accumulated revaluation increment on the same asset and therefore such decrease is recognized in OCI. The decrease recognized in OCI reduces the other reserves. In case a subsequent revaluation increase of an asset reverses a revaluation decrease previously recognized in profit or loss, such increase is credited to income in profit or loss. Revaluation reserve is not transferred to surplus.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Company's separate statement of activities and other comprehensive income in the year the asset is derecognized.

#### Impairment of Nonfinancial Assets

The Company assesses at each reporting date whether there is an indication that nonfinancial assets such as property and equipment and investment in subsidiaries may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

An impairment loss is charged to profit or loss in the period in which it arises, unless the asset is carried at revalued amount, in which case the impairment loss is charged to the revaluation increment of the said asset.

For nonfinancial assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in Company separate statement of activities and other comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal, the depreciation and amortization expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

#### Insurance Contract Liabilities

##### Life Insurance Contract Liabilities

Life insurance contract liabilities are recognized when the contracts are entered into and the insurance contributions are recognized. The reserve for life benefit certificates is calculated on the basis of a prudent prospective actuarial valuation method where the assumptions used depend on the circumstances prevailing in each life operation. Assumptions and actuarial valuation methods are also subject to provisions of the Code and guidelines set by the IC. The insurance contract liabilities for life benefit certificates is measured using the Net Premium Valuation.

##### 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 theoretical insurance contributions 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.

The Company has different assumptions for different products. However, liabilities for contractual benefits are computed to comply with statutory requirements, which require discount rates not to be more than 6.0% compound interest and mortality and morbidity rates to be in accordance with the standard table of mortality. Reserves are computed per thousand of sum insured and depend on the issue age and benefit certificate duration.

#### Legal Policy Reserves

Legal policy reserves are determined by the Company's actuary in accordance with the requirements of the Code and represent the amounts which, together with future premiums and investment income, are required to discharge the obligations of the benefit certificates. These reserves are determined using generally accepted actuarial practices and have been approved by the IC at the product approval stage.

#### Claims Provision and Incurred but not Reported (IBNR) Losses

These liabilities are based on the estimated ultimate cost of all claims incurred but not settled at the end of the reporting period together with related claims handling costs and reduction for the expected value of other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore the ultimate cost of which cannot be known with certainty at the end of the reporting period. The liability is not discounted for the time value of money and includes provision for IBNR losses. The liability is derecognized when the contract is discharged, cancelled or has expired.

#### Investment Contracts

When contracts contain both financial risk and insurance risk components and the cash flows from the two components are distinct and can be measured reliably, the underlying amounts are unbundled. Any premium relating to the insurance risk component are accounted for on the same bases as insurance contracts and the remaining element is accounted for as a deposit in the Company's separate statement of financial position.

#### Liability Adequacy Test

Liability adequacy tests are performed annually to ensure the adequacy of the benefit certificates liabilities. In performing these tests, current best estimates of future contractual cash flows, claims handling and policy administration expenses are used. Any deficiency is immediately charged against the Company's separate statement of activities and other comprehensive income initially by establishing a provision for losses arising from the liability adequacy tests.

#### Members' Participation Payable

DPF is a contractual right that gives benefit certificate holders the right to receive supplementary discretionary returns through participation in the surplus arising from participating business. These returns are subject to the discretion of the Company and are within the constraints of the terms and conditions of the benefit certificate.

Participation of benefit certificate holders during the year is taken to profit or loss. Amount not yet paid to the members as at reporting date is presented as "Members' Participation Payable" in the Company's statement of financial position.

#### Unappropriated Surplus

Unappropriated surplus represents accumulated earnings of the Company less dividends declared.

#### Provisions

Provisions are recognized when: (a) the Company has a present obligation (legal or constructive) as a result of a past event; (b) it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in Company separate statement of activities and other comprehensive income, net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

#### Retirement Cost

The Company has a funded, noncontributory retirement plan, administered by a trustee, covering its regular employees. Retirement cost is actuarially determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

Defined retirement costs comprise of the following:

- Service costs
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service cost, past service cost and gains or losses on non-routine settlements are recognized as expense in Company separate statement of activities and other comprehensive income. Past service cost is recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

# Notes to the Financial Statements

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as interest expense or interest income in Company separate statement of activities and other comprehensive income.

Remeasurements comprising actuarial gains and losses and return on plan assets (excluding net interest on defined benefit liability) are recognized immediately in OCI under "Actuarial gain on retirement plan" in the period in which they arise and accumulated as part of "Other reserves" in the net worth section of the Company's separate statements of financial position. Remeasurements are not recycled to separate statements of activities and other comprehensive income in subsequent periods.

## Revenue Recognition

### Insurance Contributions Earned

Revenue is recognized upon collection of insurance contributions of effective insurance policies and upon due date of uncollected insurance contributions, excluding the insurance contributions received for flexible and CSP annuity, which is recognized as part of "Investment contract liabilities" in the Company separate statements of financial position.

### Interest Income

Interest income is recognized as it accrues taking into account the effective yield of the asset or liability floating rate. Interest income includes the amortization of any discount or premium or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated using the EIR.

Final tax on interest income is presented as provision for final tax in the Company separate statements of activities and other comprehensive income.

### Dividend Income

Dividend income is recognized when the Company's right to receive the payment is established.

### Other Income

Other income is recognized once it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

## Benefits, Claims and Expenses Recognition

### Benefits and Claims

Benefits and claims consist of benefits and claims paid to benefit certificate holders as well as changes in the valuation of benefit certificates liabilities and reserve for benefit certificate holders' participation. Death claims and surrenders are recorded on the basis of notifications received. Maturities and annuity payments are recorded when due.

### General and Administrative Expenses

Operating expenses constitute cost of administering the business. These are recognized as expense when incurred.

### Commission Expense and other Underwriting Expenses

Commissions are recognized when the benefit certificates are issued and the insurance contributions are recognized.

### Interest Expense

Interest expense on accumulated benefit certificate holders' dividends, liabilities for supplementary contracts and insurance contribution deposit fund is recognized in profit or loss as it accrues and is calculated by using the EIR method.

## Foreign Currency Transactions and Translations

Foreign currency transactions during the year are translated into PHP at exchange rates prevailing as at the date of the transactions. Foreign currency monetary assets and liabilities are translated into PHP at exchange rates prevailing as at reporting date. Exchange gains and losses are recognized in the separate statements of activities and other comprehensive income.

## Contingencies

Contingent liabilities are not recognized in the separate financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the Company's separate financial statements but are disclosed when an inflow of economic benefit is probable.

## New Standards and Amendments to Standards Issued But Not Yet Adopted

New standards and a number of amendments to standards are effective for annual periods beginning after January 1, 2025. However, the Company has not early adopted the following new standards or amendments to standards in preparing these separate financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Company's separate financial statements.

### Effective Beginning on or After January 1, 2026

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to PFRS 9, and PFRS 7, *Financial Instruments: Disclosures*). The amendments relate to the date of recognition and derecognition, classification of financial assets, contractually linked instruments and non-recourse features, and disclosures on investments in equity instruments.

*Date of Recognition and Derecognition.* The amendments clarified that:

- a financial asset or financial liability is recognized on the date on which the entity becomes party to the contractual provisions of the instrument unless the regular way exemption applies;
- a financial asset is derecognized on the date on which the contractual rights to cash flows expire or the asset is transferred; and
- a financial liability is derecognized on the settlement date, which is the date on which the liability is extinguished because the obligation specified in the contract is discharged or cancelled or expires or the liability otherwise qualifies for derecognition.

However, the amendments provide an exception for the derecognition of financial liabilities where an entity may choose to derecognize a financial liability that is settled using an electronic payment system before the settlement date, if and only if, the entity has initiated the payment instruction that resulted in:

- the entity having no practical ability to withdraw, stop or cancel the payment instruction;
- the entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

Entities may choose to apply the exception on a system-by-system basis.

*Classification of Financial Assets.* The amendments related to classification of financial assets introduces an additional test to assess whether the SPPI criterion is met for financial assets with contingent features that are not related directly to a change in basic lending risks or costs.

The amendments clarified that when a contingent feature gives rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs, the financial asset has contractual cash flows that are SPPI if, and only if, in all contractually possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

Additional disclosures are required for all financial assets and financial liabilities that have certain contingent features that are not related directly to a change in basic lending risks or costs and are not measured at fair value through profit or loss.

*Contractually Linked Instruments and Non-recourse Features.* The amendments clarify the key characteristics of contractually linked instruments (CLIs) and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look-through' test). For example, it clarifies that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets; that CLIs have non-recourse features, but not all financial assets with non-recourse features are CLIs; and that the underlying pool of instruments of CLIs may include financial assets outside the scope of PFRS 9.

*Disclosures on Investments in Equity Instruments.* The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI). The entity discloses for each class of investment the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments held at the end of the reporting period. It also discloses any transfers of the cumulative gain or loss within equity during the reporting period related to investments derecognized during that reporting period.

The amendments apply for reporting periods beginning on or after January 1, 2026. Earlier application is permitted. Entities may choose to early-adopt the amendments for the recognition and derecognition of financial assets and financial liabilities separately from the other amendments.

### Effective Beginning on or After January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements* will replace PAS 1 and aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information.
  - A more Structured Income Statement.* PFRS 18 promotes a more structured income statement. It introduces a newly defined 'operating profit or loss' and 'profit or loss before financing and income tax' subtotals, and a requirement for all income and expenses to be classified into three new distinct categories - operating, investing, and financing - based on an Company's main business activities. PFRS 18 also requires companies to analyze their operating expenses directly on the face of the income statement - either by nature, by function or on a mixed basis. Companies need to choose the presentation method that provides the 'most useful structured summary' of those expenses. New disclosures apply if any operating expenses are presented by function.

# Notes to the Financial Statements

- **Management-defined Performance Measures.** PFRS 18 provides a definition for management-defined performance measures (MPMs) and introduces specific disclosure requirements. MPMs are subtotals of income and expenses that are used in public communications outside the financial statements, communicate management's view of an aspect of the financial performance of the entity as a whole and are not a required subtotal or a common income and expense subtotal listed in PFRS 18. For each MPM presented, companies will need to explain in a single note to the financial statements why the measure provides useful information and how it is calculated, and to reconcile it to an amount determined under PFRS Accounting Standards.
- **Greater Disaggregation of Information.** PFRS 18 provides enhanced guidance on how companies group information in the financial statements, including newly defined roles of the primary financial statements and the notes, principles of aggregation and disaggregation based on shared and non-shared characteristics, and specific guidance for labelling and describing items in a way that faithfully represents an item's characteristics.

PFRS 18 also now require goodwill to be presented as a line item in the statement of financial position.

Consequential amendments to PAS 7, requires the use of the operating profit or loss subtotal as the starting point when presenting operating cash flows under the indirect method and eliminate the options for classifying interest and dividend cash flows.

PFRS 18 also amends PAS 33, *Earnings per Share*, to permit companies to disclose additional amounts per share using as numerator a required income and expenses total or subtotal, a common subtotal listed in PFRS 18 or an MPM disclosed by the entity.

PFRS 18 applies for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. It applies retrospectively in accordance with PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. Specific reconciliations are required to be disclosed. Eligible entities including venture capital organizations, mutual funds and some insurers will be allowed to change their election for measuring investments in associates and joint ventures from equity method to fair value through profit or loss.

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's separate statement of activities and other comprehensive income and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the separate financial statements, including items currently labelled as 'other'.

To be adopted on January 1, 2030

- PFRS 17, *Insurance Contracts* replaces the interim standard, PFRS 4, *Insurance Contracts*. Reflecting the view that an insurance contract combines features of both a financial instrument and a service contract, and considering the fact that many insurance contracts generate cash flows with substantial variability over a long period, PFRS 17 introduces a new approach that:
  - (a) combines current measurement of the future cash flows with the recognition of profit over the period services are provided under the contract;
  - (b) presents insurance service results (including presentation of insurance revenue) separately from insurance finance income or expenses; and
  - (c) requires an entity to make an accounting policy choice portfolio-by-portfolio of whether to recognize all insurance finance income or expenses for the reporting period in profit or loss or to recognize some of that income or expenses in other comprehensive income.

Under PFRS 17, groups of insurance contracts are measured based on fulfilment cash flows, which represent the risk-adjusted present value of the entity's rights and obligations to the policy holders, and a contractual service margin, which represents the unearned profit the entity will recognize as it provides services over the coverage period. Subsequent to initial recognition, the liability of a group of insurance contracts represents the liability for remaining coverage and the liability for incurred claims, with the fulfilment cash flows remeasured at each reporting date to reflect current estimates.

Simplifications or modifications to the general measurement model apply to groups of insurance contracts measured using the 'premium allocation approach', investment contracts with discretionary participation features, and reinsurance contracts held.

PFRS 17 brings greater comparability and transparency about the profitability of new and in-force business and gives users of financial statements more insight into an insurer's financial health. Separate presentation of underwriting and financial results will give added transparency about the sources of profits and quality of earnings.

PFRS 17 is effective for annual periods beginning on or after January 1, 2025. Full retrospective application is required, unless it is impracticable, in which case the entity chooses to apply the modified retrospective approach or the fair value approach. However, if the entity cannot obtain reasonable and supportable information necessary to apply the modified retrospective approach, then it applies the fair value approach. There is also a transition option allowing presentation of comparative information about financial assets using a classification overlay approach on a basis that is more consistent with how PFRS 9 will be applied in future reporting periods. Early application is permitted for entities that apply PFRS 9 on or before the date of initial application of PFRS 17.

The Company is currently performing detailed assessment on the impact of the adoption of the new standard in its financial statements. As of date, the actual impact of applying the PFRS 17 on the separate financial statements in the period of application is still not known and cannot be reasonably estimated.

## 27. Supplementary Information Required Under Revenue Regulations (RR) No. 15-2010 and RR No. 34-2020 of the Bureau of Internal Revenue (BIR)

In addition to the disclosures mandated under PFRS Accounting Standards, and such other standards and/or conventions as may be adopted, organizations are required by the BIR to provide in the notes to the separate 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 notes to the separate financial statements which were prepared in accordance with PFRS Accounting Standards.

The following is the supplementary information required for the taxable year ended December 31, 2025:

### Based on RR No.15-2010

#### A. Value-Added Tax (VAT)

The Company has no output and input VAT as it is a non-VAT registered entity.

#### B. Other Taxes and Licenses

The Company reported and/or paid the following taxes and licenses in 2025:

	Amount
License and permits fees	P466,893
Fringe benefits taxes	186,337
Registration fee	5,645
Others	549,375
	<b>P1,208,250</b>

The Company is exempt from payment of percentage tax and documentary stamp tax on insurance premiums collected.

#### C. Withholding Taxes

Details of withholding taxes during the year follow:

	Paid	Accrued	Total
Withholding taxes on compensation benefits	P9,754,340	P342,412	P10,096,752
Expanded withholding taxes	4,334,293	882,702	5,216,995
Final withholding taxes	901,562	-	901,562
	<b>P14,990,195</b>	<b>P1,225,114</b>	<b>P16,215,309</b>

#### D. Tax Assessments and Cases

The Company has no ongoing tax assessments as at December 31, 2025.

As at December 31, 2025, the BIR has issued a suspension of all ongoing field audits such as Letter of Authority and Memorandum Order issuance, examination and verification of taxpayer's books of accounts, records and other related transactions under Revenue Memorandum Circular No. 107-2025.

### Based on RR No. 34-2020

In relation to Section 4 of BIR RR No. 34-2020, the Company is not covered by the prescribed requirements and procedures for the submission of BIR form No. 1709, *Information Return on Related Party Transactions*, transfer pricing documentation and other supporting documents.

## Notes to the Financial Statements

**KNIGHTS OF COLUMBUS  
FRATERNAL ASSOCIATION OF THE PHILIPPINES, INC.**  
**SUPPLEMENTARY SCHEDULE OF EXTERNAL  
AUDITOR FEE-RELATED INFORMATION**  
**December 31, 2025**

	2025	2024
<b>Total Audit Fees</b>	<b>P1,610,000</b>	<b>P1,425,000</b>
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
<b>Total Non-audit Fees</b>	<b>-</b>	<b>-</b>
<b>Total Audit and Non-audit Fees</b>	<b>P1,610,000</b>	<b>P1,425,000</b>

Audit and Non-audit fees of other related entities

	Current Year	Prior Year
Audit fees	<b>P1,210,000</b>	P955,000
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
<b>Total Audit and Non-audit Fees of Other Related Entities</b>	<b>P1,210,000</b>	<b>P955,000</b>

The Company's fee for the audit of the annual financial statements are based on a fixed fee arrangement and recorded as 'Professional fees' under General and administrative expenses in the separate statements of activities and other comprehensive income amounted to P1.61 million and P1.43 million in 2025 and 2024, respectively. There is no non-audit service rendered to the Company.

The Company's policy allows KPMG Philippines to provide assurance and other audit-related services that, while outside the scope of the statutory audit, are consistent with the role of an external auditor. These include regulatory and prudential reviews requested by regulators. Any other services that are not audit or audit-related services are non-audit services.

The Company's policy allows certain non-audit services to be provided where the service would not contravene auditor independence requirements. KPMG Philippines may not provide services that are perceived to be in conflict with the role of an external auditor or breach auditor independence. These include consulting advice and subcontracting of operational activities normally undertaken by management, and engagements where the external auditor may ultimately be required to express an opinion on its own work.

# CORPORATE INFORMATION

2025 KCFAPI ANNUAL REPORT



## HOME OFFICE

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## SERVICE OFFICES

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Kaputhaw, 6000 Cebu City  
**Contact No.:** (0995)-234-9502  
**Email:** kcfapicebso@kcfapi.com  
**Facebook:** CebuSo Kcfapi

### DAVAO

2nd Floor Knights of Columbus  
Building, C.M. Recto Ave.,  
8000 Davao City  
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**Facebook:** Davao So Kcfapi

### CAGAYAN DE ORO

2nd Floor, Knights of Columbus  
Building, Capt. Vicente Roa Ext.,  
9000 Cagayan de Oro City  
**Contact No.:** (0917)-897-9013  
**Tel. No.:** (088) 857-3963  
**Email:** kcfapicdoso@kcfapi.com  
**Facebook:** Cdosso Kcfapi

### CABANATUAN

578 Knights of Columbus  
Building, Burgos Avenue,  
3100 Cabanatuan City  
**Contact No.:** (0917)-898-1596  
**Tel. No.:** (044) 940-6309  
**Email:** kcfapicabso@kcfapi.com  
**Facebook:** Cabso Kcfapi

## WHOLLY-OWNED AND MAJORITY-OWNED COMPANIES AND FOUNDATIONS



### Keys Realty & Development Corp.

3/F KCFAPI Center, Gen. Luna cor. Sta. Potenciana Sts.,  
Intramuros, 1002 Manila  
**Tel. No.:** 8527-22-23 to 27 | 8811-7604  
**Loc.:** 520 - 521  
**Cellphone No.:** (0917) 139-3501  
**Facebook:** www.facebook.com/keysrealty2012.com.ph  
**Email:** keysrealty2012@yahoo.com.ph



### Mace Insurance Agency, Inc.

2/F KCFAPI Center, Gen. Luna cor. Sta. Potenciana Sts.,  
Intramuros, 1002 Manila  
**Tel. No.:** 8527-22-24 to 27  
**Loc.:** 530 and 531  
**Direct Line:** 8527-22-56 | 8521-86-60  
**Cellphone No.:** (0917) 828-6007 | (0943) 615-0472  
(0962) 895-0963  
**Email:** maceinsurance2018@gmail.com  
maceinsurance2021@gmail.com  
**Facebook:** www.facebook.com/maceinsuranceagency



### Holy Trinity Memorial Chapels

Dr. A. Santos Avenue, 1700 Parañaque City  
**Tel. No.:** 8825-12-96 | 8825-53-78  
**Telefax:** 8825-13-14  
**Cellphone No.:** (0917)-709-7219  
**Viber:** (0998) 901-1358  
**Email:** holytrinitymemorialchapels@yahoo.com  
**Facebook:** Holy Trinity Chapels | Holy Trinity Memorial  
Chapels and Crematorium



### KC Philippines Foundation, Inc. / Knights of Columbus Fr. George J. Willmann Charities, Inc.

3/F Fr. George Willmann Building, KCFAPI Center,  
Gen. Luna cor. Sta. Potenciana Sts., Intramuros, 1002 Manila  
**Tel. No.:** 8527-22-49 to 59 | 8527-22-23 to 27  
**Loc.:** 510 - 512  
**Cellphone No.:** (0947) 865-1706  
**Email:** kcphilfoundation@yahoo.com.ph  
frgeorgewillmann@gmail.com | kcfwillmann@yahoo.com  
**Facebook Page** for Servant of God, Fr. George J. Willmann:  
www.facebook.com/frgeorgewillmann  
**Website** for Servant of God, Fr. George J. Willmann:  
https://fatherwillmann.com/  
**Facebook Page** for KC Philippines Foundation, Inc.:  
www.facebook.com/kcphi



### Kompass Credit and Financing Corp.

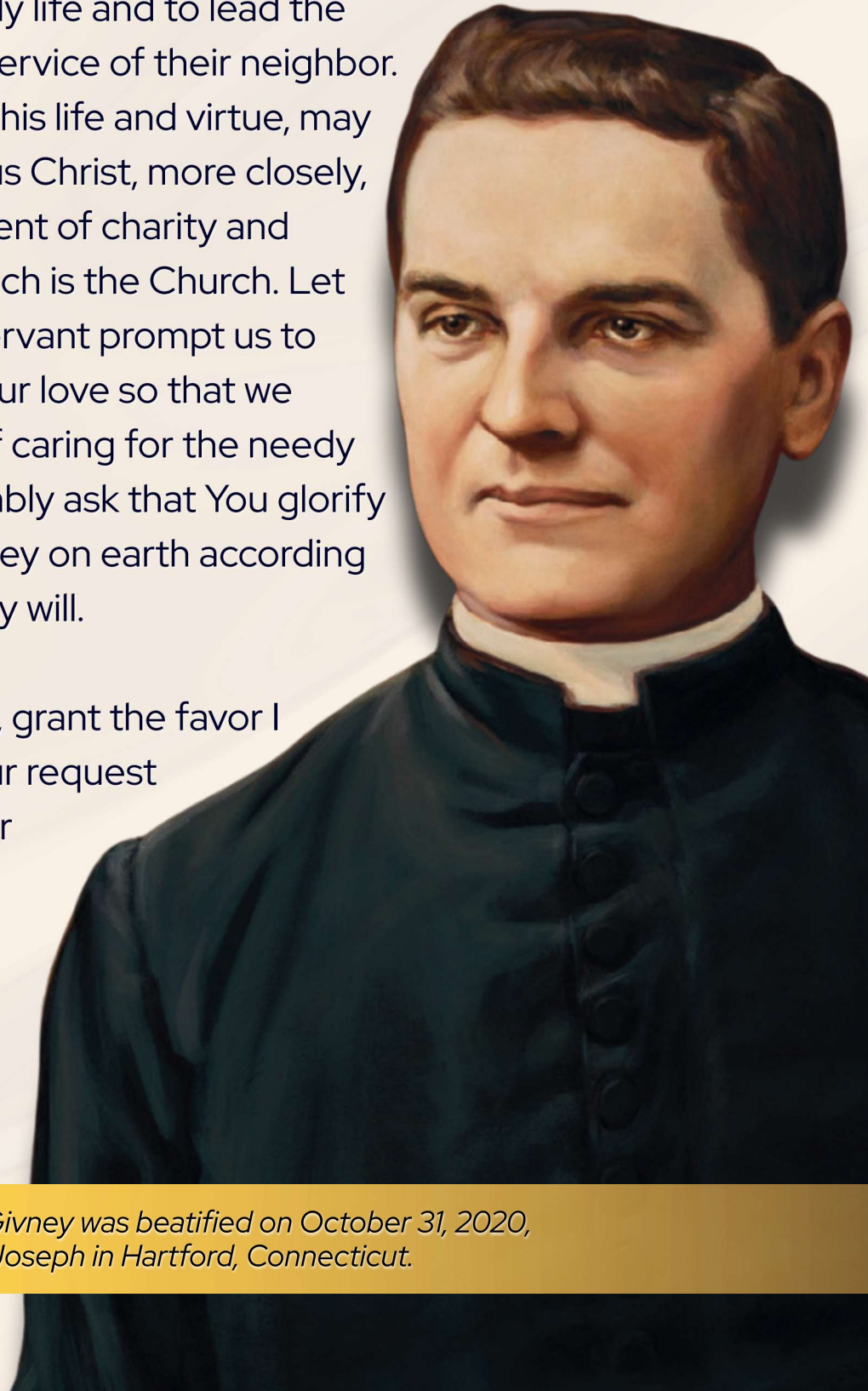
3/F Fr. George Willmann Building, KCFAPI Center,  
Gen. Luna cor. Sta. Potenciana Sts., Intramuros,  
1002 Manila  
**Tel. No.:** 8527-22-24  
**Loc.:** 500 - 502  
**Cellphone No.:** (0921) 315-0964 | (0920) 554-0584  
**Email:** kompass@kcfapi.com  
**Facebook:** www.facebook.com/kompasscreditph

# Prayer for the Canonization of Blessed Michael J. McGivney

God, our Father, protector of the poor and defender of the widow and orphan, You called Your priest, Blessed Michael McGivney, to be an apostle of Christian family life and to lead the young to the generous service of their neighbor. Through the example of his life and virtue, may we follow Your Son, Jesus Christ, more closely, fulfilling His commandment of charity and building up His Body, which is the Church. Let the inspiration of Your servant prompt us to greater confidence in Your love so that we may continue his work of caring for the needy and the outcast. We humbly ask that You glorify Blessed Michael McGivney on earth according to the design of Your holy will.

Through his intercession, grant the favor I now present... (make your request here). Through Christ our Lord. Amen.

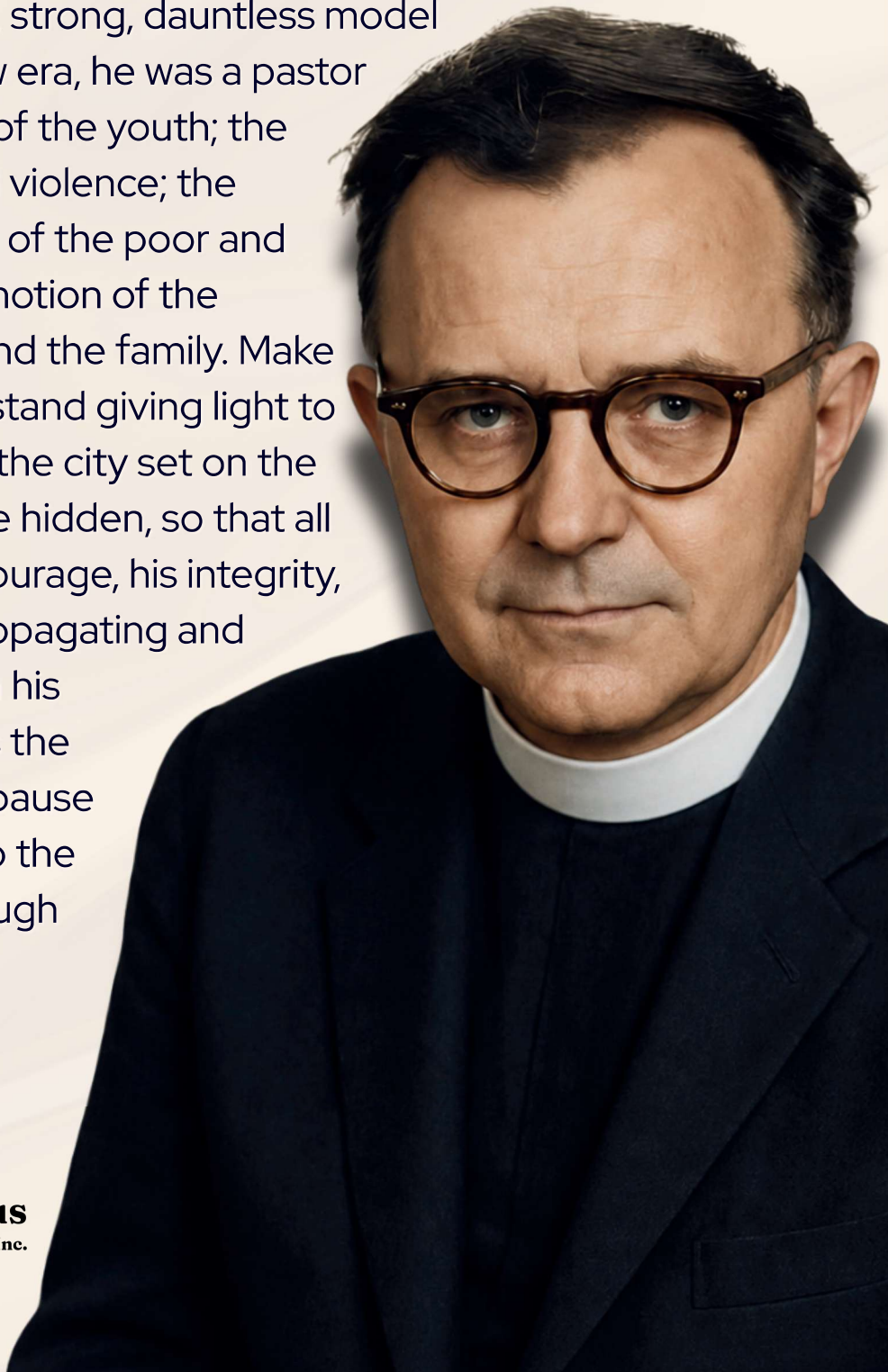
Blessed Michael J.  
McGivney,  
pray for us. (3×)



*Blessed Michael J. McGivney was beatified on October 31, 2020, at the Cathedral of St. Joseph in Hartford, Connecticut.*

# Prayer for the Beatification of the Servant of God, Fr. George J. Willmann, S. J.

Blessed are You, Almighty Father, source of all goodness and wisdom. Look down upon us Your children, who are trying to serve You with all our heart. Deign to raise Fr. George J. Willmann to the honors of the altar. He was the prayerful, strong, dauntless model that we all need in this new era, he was a pastor in the care and formation of the youth; the relief of victims of war and violence; the alleviation of the suffering of the poor and the preservation and promotion of the sanctity of life, marriage and the family. Make him the lamp on the lampstand giving light to all in the house. Make him the city set on the mountain, which cannot be hidden, so that all of us may learn from his courage, his integrity, his indomitable spirit in propagating and living the Gospel. Through his intercession, bestow on us the favor we ask You in faith (pause here and silently entrust to the Lord your petitions). Through Christ our Lord. Amen.  
Our Father, Hail Mary,  
Glory be.



**Knights of Columbus**  
Fraternal Association of the Philippines, Inc.

KC Family... Our Concern

# 2025 OneKCFAPI EVENTS



2025 OneKCFAPI Pilgrimage



2025 OneKCFAPI Summer Outing and Team-Building



2025 OneKCFAPI Pilgrimage



2025 OneKCFAPI Birthday Celebration



2025 OneKCFAPI Living Rosary



2025 OneKCFAPI Christmas Jingle-Making Competition



2025 OneKCFAPI Birthday Celebration



2025 OneKCFAPI Mother's Day



2025 KCFAPI Subsidiaries & Support Group Christmas Get Together



2025 OneKCFAPI Father's Day

# FRATERNAL CARE CARAVAN





2025 KCFAPI ANNUAL REPORT

# OneKCFAPI



KofC Family... Our Concern