COVER SHEET

CN200409455

S.E.C. Registration Number

ASA PHILIPPINES FOUNDATION,

INC.

(Company's Full Name)

UNIT 509 PRESTIGE TOWER, F.

ORTIGAS JR. STREET, ORTIGAS

CENTER, PASIG CITY

(Business Address : No. Street City / Town / Province)

Ferdinand Jikiri	687-75-58
Contact Person	Company Telephone Number

12	31	AFS		
Month	Day	FORM TYPE	Month	Day
Fiscal Year			Annual Meeting	

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

ASA Philippines Foundation
For The Poor With Heartfelt Dedication

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **ASA Philippines Foundation, Inc.** is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2012 and 2011 in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

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

Punongbayan & Araullo, the independent auditors appointed by the members, has examined the financial statements of the Foundation in accordance with Philippine Standards on Auditing and, and in its report to the Board of Trustees and members, has expressed its opinion on the fairness of presentation upon completion of such examination.

KAMRUL H. TARAFDER
President

FLORINDA M. LACANLALAY
Treasurer

EDWARD S. GO
Chairman

Unit 509 & 1105 Prestige Tower, F. Ortigas Jr. Rd., Ortigas Center, Pasig City 1605, Philippines
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Punongbayan & Araullo

An instinct for growth™

Financial Statements and Independent Auditors' Report

ASA Philippines Foundation, Inc.

December 31, 2012 and 2011

Punongbayan & Araullo
An instinct for growth™

Report of Independent Auditors

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The Enterprise Center
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1200 Makati City
Philippines

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The Board of Trustees
ASA Philippines Foundation, Inc.
(A Nonstock, Nonprofit Organization)
Unit 509 Prestige Tower, F. Ortigas Jr. Street
Ortigas Center, Pasig City

Report on the Financial Statements

We have audited the accompanying financial statements of ASA Philippines Foundation, Inc., which comprise the statements of assets, liabilities and fund balance as at December 31, 2012 and 2011, and the statements of comprehensive income, statements of changes in fund balance and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

BUREAU OF INTERNAL REVENUE
RDO 43A EAST PASIG CITY
RECEIVED
MAR 21 2013
MARY ANNE P. CRUZ
REVENUE OFFICER - ASSESSMENT

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the assets, liabilities and fund balance of ASA Philippines Foundation, Inc. as of December 31, 2012 and 2011, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2012 required by the Bureau of Internal Revenue as disclosed in Note 19 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of the management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: Ramilito L. Nañola
Partner

CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 3671456, January 2, 2013, Makati City
SEC Group A Accreditation
Partner - 0395-AR-2 (until February 10, 2016)
Firm - No. 0002-FR-3 (until Jan. 18, 2015)
BIR AN 08-002511-19-2012 (until May 15, 2015)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2015)

February 20, 2013

ASA PHILIPPINES FOUNDATION, INC.
(A Nonstock, Nonprofit Organization)
STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE
DECEMBER 31, 2012 AND 2011
(Amounts in Philippine Pesos)

	Notes	2012	2011
ASSETS			
CASH AND CASH EQUIVALENTS	5	P 205,997,611	P 158,937,607
LOANS RECEIVABLE - Net	6	1,875,956,365	1,217,792,816
OTHER RECEIVABLES	6	45,735,344	44,121,342
PROPERTY AND EQUIPMENT - Net	7	35,015,100	26,700,000
RENTAL DEPOSITS	17	6,404,589	4,455,006
TOTAL ASSETS		P 2,169,109,009	P 1,452,006,771
LIABILITIES AND FUND BALANCE			
LOANS PAYABLE	9	P 227,297,950	P 188,297,950
CAPITAL BUILD-UP AND LOCKED IN CAPITAL BUILD-UP	8	1,202,239,770	769,543,370
RETIREMENT BENEFIT OBLIGATION	14	68,813,000	45,200,000
OTHER LIABILITIES	10	278,128,173	168,528,975
TOTAL LIABILITIES		1,776,478,893	1,171,570,295
FUND BALANCE		392,630,116	280,436,476
TOTAL LIABILITIES AND FUND BALANCE		P 2,169,109,009	P 1,452,006,771

See Notes to Financial Statements.

ASA PHILIPPINES FOUNDATION, INC.
(A Nonstock, Nonprofit Organization)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(Amounts in Philippine Pesos)

	Notes	2012	2011
REVENUES			
Service fees	6	**P 994,323,876**	P 667,531,752
Membership fees	6	**-**	16,194,660
Other revenues	11	**8,852,724**	5,549,403
		1,003,176,600	689,275,815
OPERATING EXPENSES			
Project costs	12	**771,373,553**	498,659,059
General and administrative expenses	13	**119,609,407**	71,820,234
		890,982,960	570,479,293
EXCESS OF REVENUES OVER EXPENSES		**112,193,640**	118,796,522
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME		**P 112,193,640**	P 118,796,522

See Notes to Financial Statements.

ASA PHILIPPINES FOUNDATION, INC.
(A Nonstock, Nonprofit Organization)
STATEMENTS OF CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(Amounts in Philippine Pesos)

	2012	2011
GRANTS AND CONTRIBUTIONS	**P 41,360,000**	P 41,360,000
RESULTS OF OPERATIONS		
Balance at beginning of year	**239,076,476**	120,279,954
Excess of revenues over expenses	**112,193,640**	118,796,522
Balance at end of year	**351,270,116**	239,076,476
TOTAL FUND BALANCE	**P 392,630,116**	P 280,436,476

See Notes to Financial Statements.

ASA PHILIPPINES FOUNDATION, INC.
(A Nonstock, Nonprofit Organization)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(Amounts in Philippine Pesos)

	Notes	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenues over expenses		P 112,193,640	P 118,796,522
Adjustments for:			
Impairment loss	6	132,566,990	63,989,157
Interests on loans payable	9, 12	14,544,941	12,346,814
Depreciation and amortization	7	12,324,862	9,264,573
Interest income	5	(3,632,026)	(1,155,379)
Excess of revenues over expenses before working capital changes		267,998,407	203,241,687
Increase in loans receivable		(790,004,134)	(446,624,145)
Increase in other receivables		(1,614,002)	(31,617,400)
Increase in rental deposits		(1,949,583)	(1,298,515)
Increase in capital build-up and locked in capital build-up		432,696,400	243,689,880
Increase in retirement benefit obligation		23,613,000	17,154,000
Increase in other liabilities		109,599,198	59,150,850
Cash generated from operations		40,339,286	43,696,357
Interest received		3,632,026	1,155,379
Cash paid for income taxes		(726,405)	(231,076)
Net Cash From Operating Activities		43,244,907	44,620,660
CASH FLOWS FROM INVESTING ACTIVITY			
Acquisitions of property and equipment	7	(20,639,962)	(12,914,573)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loan availments		106,000,000	87,000,000
Payment of loans payable		(67,000,000)	(23,900,000)
Interest paid		(14,544,941)	(12,346,814)
Net Cash From Financing Activities		24,455,059	50,753,186
NET INCREASE IN CASH AND CASH EQUIVALENTS		47,060,004	82,459,273
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		158,937,607	76,478,334
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 205,997,611	P 158,937,607

See Notes to Financial Statements.

ASA PHILIPPINES FOUNDATION, INC.
(A Nonstock, Nonprofit Organization)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

1.1 Foundation Information

ASA Philippines Foundation, Inc. (the Foundation or ASA) was incorporated as a nonstock, nonprofit organization and registered with the Philippine Securities and Exchange Commission on July 9, 2004 with Registration Certificate No. CN 2004-09459, and with the objectives to (a) provide efficient and affordable financial services to the poor for their income-generating activities; (b) build an effective and efficient microfinance institution for sustainable delivery of microfinance services to the entrepreneurial poor; and, (c) facilitate the convergence and provision of other social services for the poor.

The ASA Program provides:

(a) Microfinance services to qualified poor, low-income women engaged in micro and small scale enterprises;

(b) Financial and other forms of assistance to its members in case of sickness, death and calamities and college scholarship for deserving children of members, as part of social services to the poor; and,

(c) Business development services for the members to improve efficiency and effectiveness in enterprise management.

As of December 31, 2012, the Foundation has 390 branches operating in various locations within Metro Manila and provincial areas.

The Foundation's registered office, which is also its principal place of business, is located at Unit 509 Prestige Tower, F. Ortigas Jr. Street, Ortigas Center, Pasig City.

1.2 Approval of Financial Statements

The financial statements of the Foundation for the year ended December 31, 2012 (including the comparatives for the year ended December 31, 2011) were authorized for issue by the Foundation's Board of Trustees (BOT) on February 20, 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below. The policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Foundation have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council from the pronouncements issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared using the measurement bases specified by PFRS for each type of assets, liabilities, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements.* The Foundation presents all items of income and expenses in a single statement of comprehensive income.

Two comparative periods are presented for the statement of financial position (statement of assets, liabilities and fund balance) when the Foundation applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or reclassifies items in the financial statements.

(c) Functional and Presentation Currency

These financial statements are presented in Philippine pesos, the Foundation's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Foundation are measured using its functional currency. Functional currency is the primary economic environment in which the Foundation operates.

2.2 Adoption of New and Amended PFRS

(a) *Effective in 2012 that is Relevant to the Foundation*

In 2012, the Foundation adopted PFRS 7 (Amendment), *Financial Instruments: Disclosures-Transfer of Financial Assets* which became effective for the annual period beginning July 1, 2011. The amendment requires additional disclosures that will allow users of financial statements to understand the relationship between transferred financial assets that are not derecognized in their entirety and the associated liabilities; and, to evaluate the nature of, and risk associated with any continuing involvement of the reporting entity in financial assets that are derecognized in their entirety. The Foundation did not transfer any financial asset involving this type of arrangement; hence, the amendment did not result in any significant change in the Foundation's disclosures in its financial statements.

(b) *Effective in 2012 but are not Relevant to the Foundation*

The following amendments became effective for annual periods beginning on or after July 1, 2011 or January 1, 2012 but are not relevant to the Foundation's financial statements:

PFRS 1 (Amendment)	:	First-time Adoption of PFRS
PAS 12 (Amendment)	:	Income Taxes – Deferred Tax: Recovery of Underlying Assets

(c) *Effective Subsequent to 2012 but not Adopted Early*

There are new PFRS, amendments, annual improvements and interpretations to existing standards that are effective for periods subsequent to 2011. Management has initially determined the following pronouncements, which the Foundation will apply in accordance with their transitional provisions, to be relevant to its financial statements:

(i) PAS 1 (Amendment), *Financial Statements Presentation – Presentation of Items of Other Comprehensive Income* (effective from July 1, 2012). The amendment requires an entity to group items presented in other comprehensive income into those that, in accordance with other PFRS: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. The amendment is not expected to have a significant impact on the Foundation's financial statements as it has no other comprehensive income.

(ii) PAS 19 (Revised), *Employee Benefits* (effective from January 1, 2013). The revision made a number of changes as part of the improvements throughout the standard. The main changes relate to defined benefit plans as follows:

- eliminates the corridor approach under the existing guidance of PAS 19 and requires an entity to recognize all actuarial gains and losses arising in the reporting period;

- streamlines the presentation of changes in plan assets and liabilities resulting in the disaggregation of changes into three main components of service costs, net interest on net defined benefit obligation or asset, and remeasurement; and,

- enhances disclosure requirements, including information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans.

Currently, the Foundation is using the corridor approach and its unrecognized actuarial gain as of December 31, 2012 amounted to P15.9 million (see Note 14.2) which will be retrospectively recognized as gain in other comprehensive income in 2013.

(iii) PFRS 7 (Amendment), *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities* (effective from January 1, 2013). The amendment requires qualitative and quantitative disclosures relating to gross and net amounts of recognized financial instruments that are set-off in accordance with PAS 32, *Financial Instruments: Presentation.* The amendment also requires disclosure of information about recognized financial instruments which are subject to enforceable master netting arrangements or similar agreements, even if they are not set-off in the statement of financial position, including those which do not meet some or all of the offsetting criteria under PAS 32 and amounts related to a financial collateral. These disclosures will allow financial statement users to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with recognized financial assets and financial liabilities on the entity's financial position. The Foundation has initially assessed that the adoption of the amendment will not have a significant impact on its financial statements.

(iv) PFRS 13, *Fair Value Measurement* (effective from January 1, 2013). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across PFRS. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The Foundation assessed that the adoption of this new standard will not have a significant impact on its financial statements.

(v) PAS 32 (Amendment), *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* (effective from January 1, 2014). The amendment provides guidance to address inconsistencies in applying the criteria for offsetting financial assets and financial liabilities. It clarifies that a right of set-off is required to be legally enforceable, in the normal course of business; in the event of default; and in the event of insolvency or bankruptcy of the entity and all of the counterparties. The amendment also clarifies the principle behind net settlement and provided characteristics of a gross settlement system that would satisfy the criterion for net settlement. The Foundation does not expect this amendment to have a significant impact on its financial statements.

(vi) PFRS 9, *Financial Instruments: Classification and Measurement* (effective from January 1, 2015). This is the first part of a new standard on classification and measurement of financial assets and financial liabilities that will replace PAS 39, *Financial Instruments: Recognition and Measurement*, in its entirety. This chapter deals with two measurement categories for financial assets: amortized cost and fair value. All equity instruments will be measured at fair value while debt instruments will be measured at amortized cost only if the entity is holding it to collect contractual cash flows which represent payment of principal and interest. The accounting for embedded derivatives in host contracts that are financial assets is simplified by removing the requirement to consider whether or not they are closely related, and, in most arrangement, does not require separation from the host contract.

For liabilities, the standard retains most of the PAS 39 requirements which include amortized cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in case where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch.

To date, other chapters of PFRS 9 dealing with impairment methodology and hedge accounting are still being completed.

Further, in November 2011, the IASB tentatively decided to consider making limited modifications to International Financial Reporting Standard 9's financial asset classification model to address certain application issues.

The Foundation does not expect to implement and adopt PFRS 9 until its effective date or until all chapters of this new standard have been published. In addition, management is currently assessing the impact of PFRS 9 on the financial statements of the Foundation and it plans to conduct a comprehensive study of the potential impact of this standard prior to its mandatory adoption date to assess the impact of all changes.

(vii) 2009-2011 Annual Improvements to PFRS. Annual improvements to PFRS (2009-2011 Cycle) made minor amendments to a number of PFRS, which are effective for annual period beginning on or after January 1, 2013. Among those improvements, PAS 1 (Amendment), *Presentation of Financial Statements – Clarification of the Requirements for Comparative Information* is relevant to the Foundation but management does not expect a material impact on the Foundation's financial statements.

The amendment clarifies the requirements for presenting comparative information for the following:

- Requirements for opening statement of financial position

  If an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period (i.e., opening statement of financial position), it shall present such third statement of financial position.

  Other than disclosure of certain specified information in accordance with PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, related notes to the opening statement of financial position as at the beginning of the preceding period are not required to be presented.

- Requirements for additional comparative information beyond minimum requirements

  If an entity presented comparative information in the financial statements beyond the minimum comparative information requirements, the additional financial statements information should be presented in accordance with PFRS including disclosure of comparative information in the related notes for that additional information. Presenting additional comparative information voluntarily would not trigger a requirement to provide a complete set of financial statements.

2.3 Financial Assets

Financial assets are recognized when the Foundation becomes a party to the contractual terms of the financial instruments. Financial assets other than those designated and effective as hedging instruments are classified into the following categories: financial assets at fair value through profit or loss (FVTPL), loans and receivables, held-to-maturity investments and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired.

Regular purchases and sales of financial assets are recognized on their trade date. All financial assets that are not classified as at FVTPL are initially recognized at fair value plus any directly attributable transaction costs. Financial assets carried at FVTPL are initially recorded at fair value and transaction costs related to it are recognized in profit or loss.

The Foundation's financial assets are mainly categorized as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Foundation provides money, goods or services directly to a debtor with no intention of trading the receivables.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment loss, if any. Impairment loss is provided when there is an objective evidence that the Foundation will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

The Foundation's financial assets categorized as loans and receivables are presented as Cash and Cash Equivalents, Loans Receivable, Other Receivables and Rental Deposits in the statement of assets, liabilities and fund balance. Cash and cash equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

All income and expenses, including impairment losses, relating to financial assets that are recognized in profit or loss are presented as part of Operating Expenses in the statement of comprehensive income.

Non-compounding interest, dividend income and other cash flows resulting from holding financial assets are recognized in the profit or loss when earned, regardless of how the related carrying amount of financial assets is measured. All expenses relating to financial assets are recognized in the profit or loss.

The financial assets are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred.

2.4 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and any impairment in value.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred.

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

Building	15 years
Office improvements	5 years
Equipment and vehicles	5 years
Furniture and fixtures	3 years

Office improvements are amortized over the estimated useful life of the improvements or the term of the lease, whichever is shorter.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The Foundation's property and equipment are subject to impairment testing whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Impairment loss for property and equipment is recognized for the amount by which the asset's carrying amount exceeds its recoverable amounts which is the higher of its fair value less costs to sell and its value in use. In determining value in use, management estimates the expected future cash flows from such asset and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Foundation's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors determined reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

Property and equipment is subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss. The residual values and estimated useful lives of property and equipment are reviewed and adjusted if appropriate, at the end of each reporting period.

An item of property and equipment, including the related accumulated depreciation and any impairment losses, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the year the item is derecognized.

2.5 Financial Liabilities

Financial liabilities, which include Capital Build-up (CBU) and Locked in Capital Build-up (LCBU), Loans payable and Other liabilities (excluding tax-related liabilities) are recognized when the Foundation becomes a party to the contractual terms of the instrument. All interest-related charges incurred on financial liabilities are recognized as expense in profit or loss under the caption Operating Expenses in the statement of comprehensive income.

Loans payable are raised for support of long-term funding of operations. This is recognized at proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to profit or loss on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Other liabilities, CBU and LCBU are initially recognized at their fair value and subsequently measured at amortized cost using effective interest method for maturities beyond one year, less settlement payments.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period (or in the normal operating cycle of the business, if longer), or the Foundation does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the statement of assets, liabilities and fund balance only when the obligations are extinguished either through discharge, cancellation or expiration.

2.6 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Foundation that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Foundation can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.7 Revenue and Expense Recognition

Revenue comprises revenue earned related to rendering of services (i.e., extending loans) measured by reference to the fair value of consideration received or receivable by the Foundation for services provided, excluding any rebates.

Revenue is recognized to the extent that revenue can be reliably measured; it is probable that the economic benefits will flow to the Foundation; and the cost incurred or to be incurred can be reliably measured. In addition, the following specific recognition criteria must also be met before revenue is recognized:

(a) *Service fees* – Revenue is recognized as service related to the fees are provided which is generally during the month when the loan is disbursed to members.

(b) *Membership fees* – Revenue is recognized when membership fees are received or accrued, whichever comes first.

(c) *Interest* – Revenue is recognized as interest accrues taking into account the effective yield of the asset.

Costs and expenses are recognized in profit or loss upon utilization of the goods or services or at the date they are incurred. Any finance costs are reported in profit or loss on an accrual basis.

2.8 Leases – Foundation as Lessee

Lease, which do not transfer to the Foundation substantially all the risks and benefits of ownership of the asset, are classified as operating leases. Operating lease payments are recognized as expense in profit or loss on a straight-line basis over the lease term. Associated costs, such as repairs and maintenance and insurance, are expensed as incurred.

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

2.9 Employee Benefits

The Foundation provides post-employment benefits to employees through a defined benefit plan, as well as various defined contribution plans.

(a) Defined Benefit Plan

A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for any benefits from this kind of post-employment plan remains with the Foundation, even if plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long-term benefit fund, as well as qualifying insurance policies. The Foundation's defined benefit pension plan covers all regular full-time employees.

The liability recognized in the statement of financial position for a defined benefit plan is the present value of the defined benefit obligation (DBO) at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The DBO is calculated annually by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using a discount rate derived from the interest rates of a zero coupon government bonds as published by Philippine Dealing Exchange Corporation, that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related post-employment liability.

Actuarial gains and losses are not recognized as an expense unless the total unrecognized gain or loss exceeds 10% of the greater of the obligation and related plan assets, if any. The amount exceeding this 10% corridor is charged or credited to profit or loss over the employees' expected average remaining working lives. Actuarial gains and losses within the 10% corridor are disclosed separately. Past-service costs are recognized immediately in profit or loss, unless the changes to the post-employment plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortized on a straight-line basis over the vesting period.

(b) Defined Contribution Plans

A defined contribution plan is a post-employment plan under which the Foundation pays fixed contributions into an independent entity (such as the Social Security System). The Foundation has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed as they fall due. Liabilities and assets may be recognized if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

2.10 Fund Balance

Fund balance is composed of grants and contributions and results of operations.

Results of operations represent all current and prior period results as reported in the profit or loss section of the statement of comprehensive income.

2.11 Related Party Relationships and Transactions

Related party transactions are transfers of resources, services or obligations between the Foundation and its related parties, regardless whether a price is charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Foundation; (b) associates; and, (c) individuals owning, directly or indirectly, an interest in the voting power of the Foundation that gives them significant influence over the Foundation and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

2.12 Events after the End of the Reporting Period

Any post-year-end event that provides additional information about the Foundation's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The Foundation's financial statements prepared in accordance with PFRS require management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

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

(a) Distinction between Operating and Finance Leases

The Foundation has entered into various lease agreements as a lessee. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

(b) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition and disclosure of provisions and contingencies are discussed in Note 2.6 and relevant disclosures are presented in Note 17.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(a) Impairment of Loans and Other Receivables

Adequate amount of allowance is provided for specific and groups of accounts, where objective evidence of impairment exists. The Foundation evaluates the amount of allowance for impairment based on available facts and circumstances affecting the collectability of the accounts, including, but not limited to, the length of the Foundation's relationship with the members, the members' current credit status, average age of accounts, collection experience and historical loss experience.

The carrying value of loans and other receivables and the analysis of allowance for impairment of such financial assets are shown in Note 6.

(b) Estimating Useful Lives of Property and Equipment

The Foundation estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The carrying amounts of property and equipment are analyzed in Note 7. Based on management's assessment as at December 31, 2012 and 2011, there is no change in estimated useful lives of property and equipment during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(c) Impairment of Property and Equipment

The Foundation's policy on estimating the impairment of property and equipment is discussed in detail in Note 2.4. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Management has assessed that no impairment losses are required to be recognized on the Foundation's property and equipment in 2012 and 2011.

(d) Valuation of Post-employment Defined Benefit

The determination of the Foundation's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, salary rate increase, and employee turnover rate. In accordance with PFRS, actual results that differ from the assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods.

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit obligation are presented in Note 14.2.

4. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Foundation is exposed to a variety of financial risks which results from its operating and financing activities. The Foundation's risk management is coordinated with its BOT, and focuses on actively securing the Foundation's short-to-medium term cash flows by minimizing the exposure to financial markets.

The Foundation does not engage in the trading of financial assets for speculative purposes nor does it write options.

The most significant financial risks to which the Foundation is exposed to are described below.

4.1 Credit Risk

Credit risk is the risk that counterparty fails to discharge an obligation to the Foundation. The Foundation is exposed to this risk for various financial instruments, for example by providing loans and advances to members and employees, and placing deposits to various local banks.

The Foundation continuously monitors default of its members and other counterparties, identified individually or by group, and incorporate the information into its credit risk controls. The Foundation's policy is to deal only with creditworthy counterparties. In addition, loans and other receivables are secured by CBU and LCBU of members which can be applied against any amounts due in cases of default on loan payments.

Generally, the maximum credit exposure of financial assets is the carrying amount of the financial assets as shown in the statements of assets, liabilities and fund balance or in the detailed analysis provided in the notes to the financial statements, as summarized below.

	Notes	2012	2011
Cash and cash equivalents	5	**P 205,997,611**	P 158,937,607
Loans receivable - net	6	**1,875,956,365**	1,217,792,816
Rental deposits	17	**6,404,589**	4,455,006
Other receivables	6	**45,735,344**	44,121,342
		P 2,134,093,909	P1,425,306,771

As part of Foundation's policy, bank deposits are only maintained with reputable financial institutions. Cash in banks which are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum coverage of P500,000 per depositor per banking institution, as provided for under Republic Act (RA) No. 9576, *Amendment to Charter of PDIC*, are still subjected to credit risk.

Total past due loans amounting to P2.6 million for 694 members and P0.7 million for 356 members as of December 31, 2012 and 2011, respectively, have been fully provided with adequate allowance for impairment.

In respect of loans receivable and other receivables, the Foundation is not exposed to any significant credit risk exposure to any single counterparty. Significant portion of the Foundation's loans receivable pertains to claims from various groups of members with similar characteristics. However, the Foundation has no experience of significant members' default and historical losses from those counterparties.

4.2 *Liquidity Risk*

The Foundation manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a six-month and one-year period are identified monthly.

The Foundation maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash are invested in short-term placements. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to consistently maintain an effective collection turn-over.

As at December 31, 2012, the Foundation's financial liabilities have contractual maturities which are presented below.

	Notes	Current	Non-current
CBU and LCBU	8	P1,202,239,770	P -
Loans payable	9	241,221,223	-
Other liabilities	10	275,683,579	-
		P 1,719,144,572	**P -**

This compares to the maturity of the Foundation's financial liabilities in the previous reporting period as follows:

	Notes	Current	Non-current
CBU and LCBU	8	P 769,543,370	P -
Loans payable	9	97,304,384	97,726,078
Other liabilities	10	167,818,996	-
		P1,034,666,750	P 97,726,078

The above contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting periods.

4.3 *Categories and Fair Values of Financial Assets and Liabilities*

The carrying amounts and fair values of the categories of financial assets and liabilities presented in the statements of assets, liabilities and fund balance are shown below.

	Notes	2012		2011	
		Carrying Values	Fair Values	Carrying Values	Fair Values
Financial Assets					
Loans and receivables:					
Cash and cash equivalents	5	P 205,997,611	P 205,997,611	P 158,937,607	P 158,937,607
Loans receivable - net	6	1,875,956,365	1,875,956,365	1,217,792,816	1,217,792,816
Rental deposits	17	6,404,589	6,404,589	4,455,006	4,455,006
Other receivables	6	45,735,344	45,735,344	44,121,342	44,121,342
		P 2,134,093,909	P2,134,093,909	P1,425,306,771	P1,425,306,771

	Notes	2012 Carrying Values	2012 Fair Values	2011 Carrying Values	2011 Fair Values
Financial Liabilities					
Financial liabilities at amortized cost:					
CBU and LCBU	8	P1,202,239,770	P1,202,239,770	P 769,543,370	P 769,543,370
Loans payable	9	227,297,950	227,297,950	188,297,950	188,297,950
Other liabilities	10	275,683,579	275,683,579	167,818,996	167,818,996
		P1,705,221,299	P 1,705,221,299	P 1,125,660,316	P1,125,660,316

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components as of December 31:

	2012	2011
Cash on hand and in banks	P 170,997,611	P 88,937,607
Short-term placements	35,000,000	70,000,000
	P 205,997,611	P 158,937,607

Cash in banks generally earn interest at rates based on daily bank deposit rates. Short-term placements have term of 14 days and earn effective interest of 3.4% and 4.4% in 2012 and 2011, respectively.

Interest earned from cash and cash equivalents amounted to P3.6 million and P1.2 million in 2012 and 2011, respectively, and is presented as part of Other Revenues in the statements of comprehensive income (see Note 11).

Certain savings deposits of the Foundation were held as security to the Foundation's loans with a local bank in 2011 (see Note 9).

6. LOANS AND OTHER RECEIVABLES

These accounts include the following:

6.1 Loans Receivable

Loans receivable at December 31 consist of:

	2012	2011
Loans receivable	P 2,471,089,450	P1,582,442,650
Unearned service charges	(322,316,015)	(206,405,564)
	2,148,773,435	1,376,037,086
Allowance for impairment	(272,817,070)	(158,244,270)
	P 1,875,956,365	P1,217,792,816

Loans receivable represent microfinance loans to members. These loans have terms of six months and are partially secured by the carrying amounts of CBU and LCBU of the members (see Note 8). These loans are subject to 15% effective service charge all throughout the six-month term. Service fees earned from these loans amounted to P994.3 million and P667.5 million in 2012 and 2011, respectively, and are shown as Service Fees in the statements of comprehensive income.

In prior years, a new member is required to pay admission fee of P30 as membership fee. Membership fee collections amounted to P16.2 million in 2011 which is presented as Membership Fee in profit or loss section in the 2011 statement of comprehensive income. However, effective on January 1, 2012, the Foundation discontinued charging membership fees to its new members.

The Foundation's loans receivable which are usually due within six months have been reviewed for indications of impairment. Certain receivables were found to be impaired, hence, adequate amount of allowance for impairment has been recognized accordingly.

As of December 31, 2012 and 2011, the Foundation has 586,903 and 417,850 active members, respectively.

A reconciliation of the allowance for impairment at beginning and end of 2012 and 2011 is shown below.

	Note	2012	2011
Balance at beginning of year		P 158,244,270	P 106,661,340
Impairment loss during the year	12	132,566,990	62,419,520
Write-off of receivables previously provided with allowance		(17,994,190)	(10,836,590)
Balance at end of year		P 272,817,070	P 158,244,270

Loans receivable written-off in 2012 and 2011 pertain to loans of 7,837 and 4,945 members, respectively.

Certain loans receivable of the Foundation amounting to P348.9 million and P238.2 million as of December 31, 2012 and 2011, respectively, are held as security to the Foundation's loans with local banks and other creditors (see Note 9).

6.2 Other Receivables

Other receivables consist of personal and mobility loans, and advances granted to the Foundation's personnel with total carrying amount of P45.7 million and P44.1 million as of December 31, 2012 and 2011, respectively. Personal and mobility loans granted to employees are charged with service fee of 10% for six-month term in 2012 and 2011 (see Note 11).

The Foundation's other receivables have been reviewed for indications of impairment. No other receivables were found to be impaired as of December 31, 2012 and 2011 based on the assessment of management.

In 2011, the Foundation recognized loss from direct write-off of certain other receivables amounting to P1.6 million which is presented as part of Miscellaneous under Project Cost in the 2011 statement of comprehensive income (see Note 12).

7. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of 2012 and 2011 are shown below.

	Building and Office Improvements	Furniture and Fixtures	Equipment and Vehicles	Total
December 31, 2012				
Cost	P 18,401,107	P 46,089,288	P 7,600,146	P 72,090,541
Accumulated depreciation and amortization	(6,135,643)	(27,233,418)	(3,706,380)	(37,075,441)
Net carrying amount	**P 12,265,464**	**P 18,855,870**	**P 3,893,766**	**P 35,015,100**
December 31, 2011				
Cost	P 17,404,996	P 29,321,437	P 4,724,146	P 51,450,579
Accumulated depreciation and amortization	(4,244,796)	(17,611,747)	(2,894,036)	(24,750,579)
Net carrying amount	P 13,160,200	P 11,709,690	P 1,830,110	P 26,700,000
January 1, 2011				
Cost	P 17,397,800	P 17,389,060	P 3,749,146	P 38,536,006
Accumulated depreciation and amortization	(2,171,000)	(11,212,480)	(2,102,526)	(15,486,006)
Net carrying amount	P 15,226,800	P 6,176,580	P 1,646,620	P 23,050,000

A reconciliation of the carrying amounts of property and equipment at the beginning and end of 2012 and 2011 is shown below.

	Building and Office Improvements	Furniture and Fixtures	Equipment and Vehicles	Total
Balance at January 1, 2012, net of accumulated depreciation and amortization	P 13,160,200	P 11,709,690	P 1,830,110	P 26,700,000
Additions	996,111	16,767,851	2,876,000	20,639,962
Depreciation and amortization charges for the year	(1,890,847)	(9,621,671)	(812,344)	(12,324,862)
Balance at December 31, 2012, net of accumulated depreciation and amortization	P 12,265,464	P 18,855,870	P 3,893,766	P 35,015,100

	Building and Office Improvements	Furniture and Fixtures	Equipment and Vehicles	Total
Balance at January 1, 2011, net of accumulated depreciation and amortization	P 15,226,800	P 6,176,580	P 1,646,620	P 23,050,000
Additions	7,196	11,932,377	975,000	12,914,573
Depreciation and amortization charges for the year	(2,073,796)	(6,399,267)	(791,510)	(9,264,573)
Balance at December 31, 2011, net of accumulated depreciation and amortization	P 13,160,200	P 11,709,690	P 1,830,110	P 26,700,000

The amount of depreciation and amortization is allocated as follows:

	Notes	2012	2011
Project cost	12	**P 8,491,630**	P 5,684,627
General and administrative	13	**3,833,232**	3,579,946
		P 12,324,862	P 9,264,573

8. CBU AND LCBU

This account is broken down as follows:

	Notes	2012	2011
CBU	6	**P 1,010,311,850**	P 642,694,100
LCBU	12	**191,927,920**	126,849,270
		P 1,202,239,770	P 769,543,370

CBU contributions, in cases of default in loan payments of group members, will be offset against the outstanding loan balance of the group members.

LCBU contributions are used as safeguard from risk of the group members' family. In case of death, the accumulated LCBU amount will be given to the nominated member of the family together with other benefits from the Foundation such as burial, hospitalization and calamity financial assistance.

As of December 31, 2012 and 2011, the Foundation had 586,903 and 417,850 members, respectively, who have CBU and LCBU contributions.

9. LOANS PAYABLE

This account includes the following:

	2012	2011
Bank of the Philippine Islands (BPI) Globe Banko	**P 80,000,000**	P 80,000,000
Citibank	**47,000,000**	47,000,000
Allied Banking Corporation (Allied Bank)	**38,000,000**	29,000,000
Oxfam Novib	**32,297,950**	32,297,950
BPI	**30,000,000**	-
	P 227,297,950	P 188,297,950

On July 26, 2010 and September 9, 2010, the Foundation obtained loans from BPI Globe Banko amounting to P50.0 million and P30.0 million, respectively. The loans are payable in one year and bear interests based on the prevailing market rates which are payable monthly in arrears and subject to quarterly review. The loan is secured by assignment of certain receivables of the Foundation amounting to at least 3.31 times of the outstanding loans receivable balance (see Note 6.1). On August 29, 2012, the Foundation renewed the P50.0 million loan for another year.

On February 23, 2011, the Foundation obtained a loan from Citibank amounting to P47.0 million. The loan has a term of two years until its maturity on February 23, 2013. The interest rate is based on a three-month Philippine Dealing System Treasury-Fixing rate plus 335 basis points subject to quarterly repricing. The proceeds of the loan were used to provide microfinance loans to members in accordance with the Foundation's microfinance program. The loan is secured by assignment of certain loans receivable covering 2.22 times of the loan facility amounting to P104.4 million in its peso equivalent (see Note 6.1).

On April 14, 2011, the Foundation obtained a loan from Allied Bank, amounting to P10.0 million which was payable in 90 days and bore interest of 4.22% per annum. The loan was secured by the Foundation's savings deposit (see Note 5). This loan was fully paid in 2011. On May 15, 2012 and September 1, 2011, the Foundation obtained an unsecured loan from Allied Bank amounting to P26.0 million and P30.0 million, respectively. The loans are payable in equal monthly payments of P1.0 million which will commence at the end of the third month from the date of loan availment. The loans bear interest of 6.0% per annum. The balances of the loans as of December 31, 2012 and 2011 are P38.0 million and P29.0 million, respectively.

On April 16, 2010, the Foundation obtained a loan from Oxfam Novib amounting to European Union (EU) euro 535,000 or its equivalent peso amount of P32.3 million. The loan has term of three years until its maturity on April 15, 2013 and bears an annual fixed interest of 8.65%. As indicated in the loan agreement with Oxfam Novib, the Foundation will repay the loan at maturity equivalent to the peso amount at the date of availment. The loan agreement with Oxam Novib prohibits the Foundation to sell, dispose and pledge the Foundation's loans receivable portfolio without the former's written approval and in no case shall the approved pledged amount exceed 25% of the Foundation's loan portfolio.

On June 9, 2012, the Foundation obtained a loan from BPI amounting to P30.0 million payable on June 14, 2013. The loan bears interest of 6.25% per annum. The loan was secured through the assignment of some of the Foundation's loans receivable amounting to P99.3 million.

As of December 31, 2012 and 2011, the Foundation is compliant with all the security requirements and covenants imposed by the respective creditor.

Interest expense on interest-bearing loans amounted to P14.5 million and P12.3 million in 2012 and 2011, respectively, and is presented as Interest on loans payable under Project Cost in the statements of comprehensive income (see Note 12).

The maturity profile of these loans is presented below.

	2012	2011
Within one year	**P 227,297,950**	P 92,000,000
One year to two years	**-**	96,297,050
	P 227,297,950	P 188,297,050

10. OTHER LIABILITIES

This account includes the following:

	2012	2011
Beneficiary program and support trust fund (BPSTF)	**P 117,786,300**	P 69,149,220
Accrued expenses	**51,352,567**	26,161,229
Staff cash bond	**47,068,900**	31,937,600
Staff benevolent fund	**33,639,560**	22,714,100
Staff CBU	**21,442,800**	15,185,030
Accounts payable	**6,838,046**	3,381,796
	P 278,128,173	P 168,528,975

BPSTF represents 0.5% of the principal amount of loan released to each member. This is used to cover the loan in case of the death of the member, provide assistance in cases of fire, and cover losses in case of robbery and hold-up of collection from members. Effective on January 1, 2012, a new policy was implemented by the Foundation requiring each new group member to contribute P30 as group members' contribution. The contributions will form part of the BPSTF as additional fund for health-care program, scholarship to the children of the members, and provision for distribution of relief goods and other livelihood support intervention in time of calamities such as typhoons, fires, earthquakes and floods.

Staff cash bond represents refundable security deposits made by employees.

Staff benevolent fund includes amounts set aside for employee hospitalization, employee death aid, and employee welfare and benefits.

Staff CBU refers to mandatory contributions of the Foundation's employees to safeguard the risk from personnel and motorcycle advances.

11. OTHER REVENUES

This account includes the following:

	Notes	2012	2011
Service charges on employee loans	6.2	P 4,925,998	P 4,209,218
Interest income on deposits	5	3,632,026	1,155,379
Gain from recovery of written-off accounts		294,700	184,806
		P 8,852,724	P 5,549,403

Service charges on employee loans pertain to 10% service fees earned from personal and motorcycle advances granted by the Foundation to its personnel (see Note 6.2).

12. PROJECT COSTS

This account includes the following:

	Notes	2012	2011
Employee benefits	14.1	P 355,611,885	P 263,996,026
Impairment loss	6.1	132,566,990	62,419,520
Travel and transportation		78,287,372	48,734,994
Office rental	17	35,518,525	23,234,619
LCBU benefits	8	31,075,600	24,248,000
Repairs and maintenance		31,853,107	14,904,684
Office supplies and reproduction		29,438,942	10,918,171
Security and janitorial		19,399,039	10,990,316
Staff development and conference		14,628,986	3,523,900
Interests on loans payable	9	14,544,941	12,346,814
Depreciation and amortization	7	8,491,630	5,684,627
Light and water		7,469,575	4,835,083
Taxes and licenses	19.1*(f)*	5,143,293	1,988,710
Postage and telephone		2,016,056	1,650,699
Entertainment, amusement and recreation		1,825,794	5,275,050
Miscellaneous	6.2	3,501,818	3,907,846
		P 771,373,553	P 498,659,059

13. GENERAL AND ADMINISTRATIVE EXPENSES

The details of general and administrative expenses are shown below.

	Notes	2012	2011
Employee benefits	14.1	**P 65,024,642**	P 42,150,849
Travel and transportation		**15,152,307**	9,722,509
Grants and donations		**7,245,455**	4,920,000
Staff development and conference		**5,918,715**	568,883
Office rental	17	**5,176,289**	1,476,541
Repairs and maintenance		**4,402,611**	1,813,751
Depreciation and amortization	7	**3,833,232**	3,579,946
Professional fees		**3,284,521**	3,235,259
Postage and telephone		**3,190,710**	1,196,101
Office supplies and reproduction		**2,693,807**	1,165,128
Taxes and licenses	19.1 *(f)*	**1,020,451**	403,397
Entertainment, amusement and recreation		**404,956**	560,763
Light and water		**334,744**	240,198
Miscellaneous		**1,926,967**	786,909
		P 119,609,407	P 71,820,234

14. EMPLOYEE BENEFITS

14.1 Salaries and Employee Benefits Expense

Expenses recognized for salaries and other employee benefits are presented below.

	Note	2012	2011
Salaries and wages		**P 357,044,810**	P 258,067,138
SSS, HDMF, Philhealth contributions		**26,018,977**	17,057,677
Post-employment benefits	14.2	**23,831,700**	18,128,200
Staff benevolent fund		**13,741,040**	12,893,860
		P 420,636,527	P 306,146,875

The amounts of employee benefits are allocated as follows:

	Notes	2012	2011
Project cost	12	**P 355,611,885**	P 263,996,026
General and administrative	13	**65,024,642**	42,150,849
		P 420,636,527	P 306,146,875

14.2 Post-employment Defined Benefit

The Foundation maintains a noncontributory and unfunded post-employment plan covering all regular full-time employees. In 2012, the Foundation obtained an actuarial valuation report to determine the balance of post-employment benefit obligation and the amount of post-employment benefit expense in accordance with PAS 19. Actuarial valuations are made annually to update the retirement benefit costs and the amount of obligations.

The amounts of post-employment benefit obligation recognized in the statements of assets, liabilities and fund balance are determined as follows:

	2012	2011
Present value of the obligation	P 52,932,972	P 26,095,454
Unrecognized actuarial gain	15,880,028	19,104,546
	P 68,813,000	P 45,200,000

The movements in the present value of post-employment benefit obligation recognized in the books are presented below.

	2012	2011
Balance at beginning of year	P 45,200,000	P 28,046,000
Expense recognized	23,831,700	18,128,200
Benefits paid	(218,700)	(974,200)
Balance at end of year	P 68,813,000	P 45,200,000

The amounts of post-employment benefit expense recognized in profit or loss are presented below.

	2012	2011
Current service cost	P 22,661,118	P 15,753,193
Interest cost	1,641,404	2,375,007
Expected return on plan assets	(470,822)	-
	P 23,831,700	P 18,128,200

Presented below are the historical information related to the present value of the retirement benefit obligation as well as experience adjustments arising on plan obligations.

	2012	2011
Present value of the obligation	P 52,932,972	P 26,095,454
Fair value of the plan assets	-	-
Deficit in the plan	P 52,932,972	P 26,095,454
Experience adjustments arising on the plan obligations	(P 8,539,846)	(P 5,773,568)

In determining the amounts of post-employment benefit obligation, the following actuarial assumptions were used:

	2012	2011
Discount rates	5.62%	6.29%
Expected rate of salary increases	12.00%	10.00%
Employee turnover rate	6.00%	6.00%

Assumptions regarding future mortality are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is 25.2 for males and 24.6 for females. As of December 31, 2012 and 2011, the Foundation has 2,642 and 1,893 employees, respectively.

15. RELATED PARTY TRANSACTIONS

The Foundation's related party includes its key management personnel. The compensation given to key management personnel in the form of short-term benefits amounted to P38.5 million in 2012 and P37.1 million in 2011.

16. INCOME TAX AND INCOME TAX EXEMPTION

The Foundation is a nonstock, nonprofit corporation and the primary purpose of which is one of those enumerated in Section 30 of the Tax Reform Act of 1997 (RA No. 8424). Moreover, no part of the excess of revenues over expenses of the Foundation inures to the benefit of any of its members. The trustees do not receive any compensation. In case of dissolution, the assets of the Foundation shall be transferred to a similar institution or to the government. Hence, the Foundation is exempt from income taxes. However, income derived by the Foundation from its properties, real or personal, or from any of its activities not covered by the exemption or activities conducted for profit regardless of the disposition made of such income, is subject to tax.

17. COMMITMENTS AND CONTINGENCIES

17.1 Operating Lease Commitments – Foundation as Lessee

The Foundation has operating lease agreements covering the office spaces occupied by the Foundation and its branches for a period of six months to two years. The lease agreements require the Foundation to pay rental deposits. Outstanding rental deposits as of December 31, 2012 and 2011 amounted to P6.4 million and P4.5 million, respectively, and are shown as Rental Deposits in the statements of assets, liabilities and fund balance.

The future minimum lease payments under these non-cancellable operating leases are as follows as of December 31.

	2012	2011
Within one year	**P 35,181,360**	P 28,155,360
After one year but more than five years	**6,590,400**	876,000
	P 41,771,760	P 29,031,360

Rent expense recognized related to these operating leases amounted to P40.7 million in 2012 and P24.7 million in 2011, which are allocated to both Project Costs and General and Administrative Expenses (see Notes 12 and 13).

17.2 Others

There are commitments and contingencies that arise in the normal course of the Foundation's operations which are not reflected in the financial statements. As of December 31, 2012, management is of the opinion that losses, if any, that may arise from these commitments and contingencies will not have a material effect on the Foundation's financial statements.

18. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Foundation's capital management objectives are to generate funds to expand its microfinance operations by pricing services commensurately with the level of risk and to ensure the Foundation's ability to continue as a going concern.
The Foundation monitors capital on the basis of the carrying amount of the fund balance as presented in the statements of assets, liabilities, and fund balance.

The Foundation sets the amount of capital in proportion to its overall financing structure, i.e., fund balance and loans from third parties. The Foundation manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	2012	2011
Total loans from third parties	P 227,297,950	P 188,297,950
Total fund balance	392,630,116	280,436,476
Debt-to-fund ratio	0.58:1:00	0.67:1:00

The Foundation has satisfactorily complied with its covenant obligations related to its interest-bearing loans as of the end of each reporting period.

19. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented below is the supplementary information which is required by the Bureau of Internal Revenue (BIR) under its existing revenue regulations to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS. All information are presented in their absolute amounts.

19.1 Requirements under Revenue Regulations (RR) 15-2010

The information on taxes, duties and license fees paid or accrued during the taxable year required under RR 15-2010 are as follows:

(a) Output Value-added Tax (VAT)

The Foundation has not incurred any ouput tax liability for the year ended December 31, 2012 as it has no sales transactions subject to VAT.

(b) Input VAT

The Foundation did not recognize any input VAT. It records as expense all input VAT on purchases of goods and services since it would not be recovered from setting-off with any output tax liability in the future.

(c) Documentary Stamp Tax

The Foundation paid and accrued documentary stamp tax in 2012 amounting to P1,483,624 which is related to the several loans obtained during the year (see Notes 9 and 19.1 *[f]*).

(d) Taxes on Importation

The Foundation did not incur or pay any customs' duties and tariff fees as it did not have any importation for the year ended December 31, 2012.

(e) Excise Tax

The Foundation did not have any transactions in 2012 which are subject to excise tax.

(f) Taxes and Licenses

The details of Taxes and Licenses account in 2012 are shown below.

Licenses and permits	P	4,136,991
Documentary stamp tax (see Note 19.1 *[c]*)		1,483,624
Real estate taxes		116,157
Miscellaneous		426,972
	P	**6,163,744**

The amounts of taxes and licenses are allocated and presented in the 2012 statement of comprehensive income as follows (see Notes 12 and 13):

Project cost	P	5,143,293
General and administrative expenses		1,020,451
	P	**6,163,744**

(g) Withholding Taxes

The details of total withholding taxes for the year ended December 31, 2012 are shown below.

Compensation and employee benefits	P	12,752,657
Expanded		3,564,530
Final		129,875
	P	**16,447,062**

(h) Deficiency Tax Assessment and Tax Cases

As of December 31, 2012, the Foundation does not have any final deficiency tax assessments with the BIR or tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open years.

19.2 Requirements under RR 19-2011

RR 19-2011 requires schedules of taxable revenues and other non-operating income, costs of sales and services, itemized deductions and other significant tax information, to be disclosed in the notes to financial statements.

The amounts of taxable revenues and income, and deductible costs and expenses presented below are based on relevant tax regulations issued by the BIR, hence, may not be the same as the amounts reflected in the 2012 statement of comprehensive income.

(a) Exempt Revenues

The Foundation's exempt revenues for the year ended December 31, 2012 amounted to P994,323,876 pertaining to service fees collected from borrowers.

(b) Exempt Non-operating and Other Income

The composition of the Foundation's exempt non-operating and other income for the year ended December 31, 2012 is presented below.

Service charges on employee loans	P 4,925,998
Gain from recovery of written-off accounts	294,700
	P 5,220,698

(d) Itemized Deductions

The details of itemized deductions under exempt transactions for the year ended December 31, 2012 are as follows:

Employee benefits	P 387,023,527
Travel and transportation	93,439,679
Office rental	40,694,814
Repairs and maintenance	36,255,718
Office supplies and reproduction	32,132,749
LCBU benefits	31,075,600
Staff development and conference	20,547,701
Security and janitorial	19,399,039
Depreciation and amortization	12,324,862
Light and water	7,804,319
Taxes and licenses	6,163,744
Postage and telephone	5,206,766
Professional fees	3,284,521
Entertainment, amusement and recreation	2,230,750
Grants and donations	1,817,375
Office supplies and reproduction	848,836
Miscellaneous	5,428,785
	P 705,678,785

Punongbayan & Araullo

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Report of Independent Auditors to Accompany Schedule of Philippine Financial Reporting Standard Filed Separately from the Basic Financial Statements

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The Board of Trustees
ASA Philippines Foundation, Inc.
(A Nonstock, Nonprofit Organization)
Unit 509 Prestige Tower, F. Ortigas Jr. Street
Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of ASA Philippines Foundation, Inc. for the year ended December 31, 2012, on which we have rendered our report dated February 20, 2013. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Philippine Financial Reporting Standards and Interpretations Adopted by the Securities and Exchange Commission and the Financial Reporting Standards Council as of December 31, 2012, is presented for purposes of additional analysis in compliance with the requirement under the Securities Regulation Code Rule 68, and is not a required part of the basic financial statements in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: Ramilito L. Nañola
Partner

CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 3671456, January 2, 2013, Makati City
SEC Group A Accreditation
Partner - 0395-AR-2 (until February 10, 2016)
Firm - No. 0002-FR-3 (until Jan. 18, 2015)
BIR AN 08-002511-19-2012 (until May 15, 2015)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2015)

February 20, 2013

Punongbayan & Araullo
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Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Financial Statements

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The Board of Trustees
ASA Philippines Foundation, Inc.
(A Nonstock, Nonprofit Organization)
Unit 509 Prestige Tower, F. Ortigas Jr. Street
Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of ASA Philippines Foundation, Inc. for the year ended December 31, 2012, on which we have rendered our report dated February 20, 2013. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The following applicable supplementary information are presented for purposes of additional analysis in compliance with the requirements of the Securities Regulation Code Rule 68, and are not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards:

a. Schedule of Philippine Financial Reporting Standards and Interpretations Adopted by the Securities and Exchange Commission and the Financial Reporting Standards Council as of December 31, 2012; and,

b. Schedule of Revenues and Expenditures for the Year Ended December 31, 2012.

Punongbayan & Araullo
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The supplementary information are the responsibility of management. Such supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: Ramilito L. Nañola
Partner

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February 20, 2013

ASA PHILIPPINES FOUNDATION, INC.
Schedule of Revenues and Expenditures
For the Year December 31, 2012

Schedule of Revenues and Other Income

Nature of Receipt	Sources	Range of Individual Receipt	Number of Sources		Amounts
Service Fees	Members	P450-P15,000	586,903		994,323,876
Other Revenues	Various				8,852,724
				P	1,003,176,600

Schedule of Expenditures

Nature of Expenses		Amounts
Employee benefits	P	420,636,527
Impairment loss		132,566,990
Travel and transportation		93,439,679
Office rental		40,694,814
Repairs and maintenance		36,255,718
Office supplies and reproduction		32,132,749
LCBU benefits		31,075,600
Staff development and conference		20,547,701
Security and janitorial		19,399,039
Interest on loans payable		14,544,941
Depreciation and amortization		12,324,862
Light and water		7,804,319
Grants and donations		7,245,455
Taxes and licenses		6,163,744
Postage and telephone		5,206,766
Professional fees		3,284,521
Entertainment, amusement and recreation		2,230,750
Miscellaneous		5,428,785
	P	890,982,960

ASA PHILIPPINES FOUNDATION, INC.
(A Nonstock, Nonprofit Organization)

Schedule of Philippine Financial Reporting Standards and Interpretations Adopted by the Securities and Exchange Commission and the Financial Reporting Standards Council as of December 31, 2012

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements		✓		
Conceptual Framework Phase A: Objectives and Qualitative Characteristics		✓		
Practice Statement Management Commentary			✓	
Philippine Financial Reporting Standards (PFRS)				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	✓		
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters	✓		
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First time Adopters	✓		
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters	✓		
	Amendments to PFRS 1: Government Loans* *(effective January 1, 2013)*			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities* *(effective January 1, 2013)*			✓
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures* *(effective January 1, 2015)*			✓
PFRS 8	Operating Segments			✓
PFRS 9	Financial Instruments *(effective January 1, 2015)*			✓
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures* *(effective January 1, 2015)*			✓
PFRS 10	Consolidated Financial Statements* *(effective January 1, 2013)*			✓
	Amendments to PFRS 10: Transition Guidance* *(effective January 1, 2013)*			✓
	Amendments to PFRS 10: Investment Entities* *(effective January 1, 2013)*			✓
PFRS 11	Joint Arrangements* *(effective January 1, 2013)*			✓
	Amendments to PFRS 11: Transition Guidance* *(effective January 1, 2013)*			
PFRS 12	Disclosure of Interests in Other Entities* *(effective January 1, 2013)*			✓
	Amendments to PFRS 12: Transition Guidance* *(effective January 1, 2013)*			✓
	Amendments to PFRS 12: Investment Entities* *(effective January 1, 2013)*			✓
PFRS 13	Fair Value Measurement* *(effective January 1, 2013)*			✓

Philippine Accounting Standards (PAS)				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation	✓		
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets			✓
PAS 16	Property, Plant and Equipment	✓		
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19	Employee Benefits	✓		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	✓		
PAS 19 (Revised)	Employee Benefits* *(effective January 1, 2013)*			✓
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation	✓		
PAS 23 (Revised)	Borrowing Costs			✓
PAS 24 (Revised)	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27	Consolidated and Separate Financial Statements			✓
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in Subsidiary, Jointly Controlled Entity or Associate			✓
PAS 27 (Amended)	Separate Financial Statements* *(effective January 1, 2013)*			✓
	Amendments to PAS 27 (Amended): Investment Entities* *(effective January 1, 2013)*			✓
PAS 28	Investments in Associates			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures* *(effective January 1, 2013)*			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 31	Interests in Joint Ventures			✓
PAS 32	Financial Instruments: Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation	✓		
	Amendment to PAS 32: Classification of Rights Issues	✓		
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities* *(effective January 1, 2014)*			✓
PAS 33	Earnings per Share			✓
PAS 34	Interim Financial Reporting			✓
PAS 36	Impairment of Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets			✓

PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions	✓		
	Amendments to PAS 39: The Fair Value Option	✓		
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition	✓		
	Amendments to Philippine Interpretation IFRIC 9 and PAS 39: Embedded Derivatives	✓		
	Amendment to PAS 39: Eligible Hedged Items	✓		
PAS 40	Investment Property			✓
PAS 41	Agriculture			✓
Philippine Interpretations - International Financial Reporting Interpretations Committee (IFRIC)				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities**			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds**			✓
IFRIC 6	Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29, Financial Reporting in Hyperinflationary Economies			✓
IFRIC 9	Reassessment of Embedded Derivatives**	✓		
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives**	✓		
IFRIC 10	Interim Financial Reporting and Impairment			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓		
	Amendments to Philippine Interpretations IFRIC - 14, Prepayments of a Minimum Funding Requirement and their Interaction	✓		
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners**	✓		
IFRIC 18	Transfers of Assets from Customers**			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments**	✓		
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine* *(effective January 1, 2013)*			✓
Philippine Interpretations - Standing Interpretations Committee (SIC)				
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-12	Consolidation - Special Purpose Entities			✓
	Amendment to SIC - 12: Scope of SIC 12			✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
SIC-15	Operating Leases - Incentives			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders**			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
SIC-29	Service Concession Arrangements: Disclosures			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services**			✓
SIC-32	Intangible Assets - Web Site Costs**			✓

* These standards will be effective for periods subsequent to 2012 and are not early adopted by the Company.

** These standards have been adopted in the preparation of financial statements but the Company has no significant transactions covered in both years presented.