

	Note	2018		Total
		Due Within One Year	Due Beyond One Year	
Financial Assets				
Cash and cash equivalents	7	P13,877,194	P -	P13,877,194
Short-term investments	5, 8	3,218,401	-	3,218,401
AFS financial assets	4, 5, 6, 10	-	796,723,700	796,723,700
HTM investments	5, 11, 18	-	183,987,885	183,987,885
Receivables	5, 9	7,512,272	-	7,512,272
Other assets	5	330,778	-	330,778
		24,938,645	980,711,585	1,005,650,230
Non-financial Assets				
Property, equipment and computer software - net	12	-	4,157,244	4,157,244
Investment property - net	13	-	56,000,000	56,000,000
Retirement asset	4, 20	-	3,080,023	3,080,023
Other assets	5	636,566	-	636,566
		636,566	63,237,267	63,873,833
		P25,575,211	P1,043,948,852	P1,069,524,063
Financial Liabilities				
Accrued expenses and other liabilities	14	P27,535,228	P -	P27,535,228
Claims payable	15	134,912,396	-	134,912,396
Due to related party	24	34,770,038	-	34,770,038
Equity value reserves	5, 17	75,511,008	-	75,511,008
		272,728,670	-	272,728,670
Non-financial Liabilities				
Accrued expenses and other liabilities	14	3,228,397	-	3,228,397
Aggregate reserves	4, 5, 16	53,536,552	-	53,536,552
		56,764,949	-	56,764,949
		P329,493,619	P -	P329,493,619

24. Related Party Transactions

Parties are considered related party if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Association are also considered to be related parties. The Association's key management personnel are composed of the senior management and directors.

Category/Transaction	Year	Note	Amount of the Transaction	Outstanding Balance	Terms	Conditions
				Due from (to) Related Parties		
Entity under Common Key Management						
▪ Members' contributions and premiums collected	2019	24a	P216,303,687	P10,000,754	Payable on demand; non-interest bearing	Unsecured; no impairment
	2018	24a	262,333,419	14,598,767		
▪ Claims and benefits paid	2019	24b	62,572,566	(19,458,399)	Payable on demand; non-interest bearing	Unsecured
	2018	24b	70,132,063	(14,368,805)		
▪ Collection fees	2019	24c, 22	32,010,476	-	Payable on demand; non-interest bearing	Unsecured
	2018	24c, 22	39,509,035	-		
▪ Acquisition of investment property	2019		-		Payable on demand; non-interest bearing	Unsecured
	2018	13	56,000,000	(35,000,000)		
	2019	5, 23		(P9,457,645)		
	2018	5, 23		(P34,770,038)		

Outstanding receivables from and payables to related parties are expected to be settled in cash.

- 24a. TSPI, an entity with the same key management as the Association, is a nonstock, nonprofit organization, whose mission is to provide individuals and communities the opportunity to experience fullness of life through small and micro-enterprise development. Effective January 1, 2007, TSPI collects members' contributions and premiums from the Association's members. As at December 31, 2019 and 2018, the outstanding balance owed to TSPI amounted to P10.00 million and P14.60 million, respectively.
- 24b. TSPI also settles claims to the beneficiaries of members on behalf of the Association using the members' contributions and premiums collected. In instances where the claims to be settled exceeds the amount of members' contributions and premiums collected, TSPI advances the payment of claims to the beneficiaries. As at December 31, 2019 and 2018, the outstanding balance of P19.42 million and P14.37 million, respectively, represents the settlement claims paid in advance by TSPI.
- 24c. TSPI provides the promotion and marketing of the Association's products to the TSPI's microfinance clients including collection of members' contributions and premiums for the said products of the Association. The Association reimburses the marketing and sales expenses incurred by TSPI on behalf of the Association. Effective September 27, 2017, TSPI charges the Association 15% service fee based on members' contributions and premiums collected for the services rendered for the Association.

In 2019 and 2018, marketing and sales expenses amounting to P32.01 million and P39.51 million, respectively, were recognized as part of "Collection fees" in Other direct costs account in profit or loss (see Notes 22).

Compensation of Key Management Personnel

Total short-term remuneration of the Association's key management personnel amounted to P6.70 million and P5.80 million for the years ended December 31, 2019 and 2018, respectively and are recorded under "Salaries and other employee benefits" in profit or loss. Post-employment benefits amounted to P1.54 million and P3.87 million for the years ended December 31, 2019 and 2018, respectively.

25. Events After the Reporting Period

On March 8, 2020, under Proclamation 922, the Office of the President has declared a state of public health emergency and subsequently on March 16, 2020, under Proclamation 929, a state of calamity throughout the Philippines due to the spread of the COVID-19. To manage the spread of the disease, the entire Luzon has been placed under an Enhanced Community Quarantine, effective from March 17, 2020 until May 15, 2020, that is subject for further extension which involved several measures including travel restrictions, home quarantine and temporary suspension or regulation of business operations, among others, limiting activities related to the provision of essential goods and services.

Management is cognizant of the significant impact of COVID-19 pandemic. Extension of insurance premium payments and claims processing pay-out shall be provided to Association's members and their beneficiaries in accordance with the laws, rules and regulations recently issued by the IC to address concerns brought about by the COVID-19 pandemic. The Association's financial statements are expected to be affected by delayed insurance premium payments and requests for extension of renewal for maturing contracts. In addition to customer, people and operational considerations, volatile markets may also affect the Association's investment portfolios. Stock markets have declined in value and bond yields are at record lows which might result to possible impairment in investment portfolios.

The effect to the financial statements cannot be made at this time. As this pandemic is unprecedented, the Association will rely upon future guidance and issuances of the IC. The Association is also a member of the Microinsurance Mutual Benefit Association of the Philippines which work closely with the IC and various government agencies.

26. Supplementary Information Required by the Bureau of Internal Revenue (BIR) Based on Revenue Regulations (RR) No. 15-2010

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

The following is the tax information required for the taxable year ended December 31, 2019:

A. Withholding Taxes

Expanded withholding taxes	P122,784
Tax on compensation and benefits	974,804
	P1,097,588

B. All Other Taxes (Local and National)

<i>Other taxes paid during the year recognized under "Taxes and licenses" account under General and Administrative Expenses</i>	
License and permit fees	P28,381

C. Tax Contingencies

The Association has 2016 tax assessment which involved alleged income tax, percentage tax, withholding tax on compensation, expanded withholding tax, final withholding tax, tax deficiencies and compromise penalty. The BIR issued Final Assessment Notice in 2019 for the said tax assessment. The Association submitted Formal Protest Letter for the assessments together with documents in support thereof, in compliance with the sixty (60) day period to submit the same, pursuant to the Tax Code. The Association is yet to receive response from the tax authorities.

D. Tax Cases

As at December 31, 2019, aside from the ongoing tax assessments, the Association is not a party to any outstanding tax case that is under investigation, litigation and/or prosecution in courts or bodies outside the BIR.