

SURETA AND ASSOCIATE, CPAs
CERTIFIED PUBLIC ACCOUNTANTS

April 12, 2024

The Stockholders and the Board of Directors
FIDELITY MUTUAL LIFE BENEFIT ASSOCIATION INC.
6th Floor Omnis Prosperity Tower
377 Gil Puyat Avenue, Bgy. Bel-Air
Makati City, 1209

Dear Sirs/Madam,


Forwarding herewith are Six (6) Sets of the Audit Report for the year December 31, 2023 dated April 12, 2024 of:

FIDELITY MUTUAL LIFE BENEFIT ASSOCIATION INC.

In compliance with IC Circular Letter dated April 12, 2024.

Kindly acknowledged receipt hereof.

Thank you,

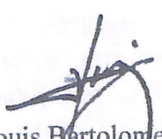
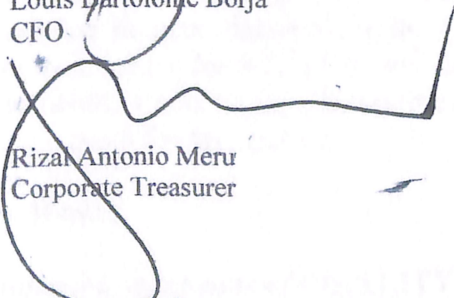

ESTER P. CLARETE
External Auditor

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of **Fidelity Life Mutual Benefit Association Inc.** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2023. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2023 and the accompanying Annual Income Tax Returns are in accordance with the books and records of **Fidelity Life Mutual Benefit Association Inc.** complete and correct in all material respects. Management likewise affirms that:

- a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- c) the **Fidelity Life Mutual Benefit Association Inc.** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.


Louis Bartolome Borja
CFO
Rizal Antonio Meru
Corporate Treasurer

Signed this 12th day of April, 2024

SURETA AND ASSOCIATE, CPAs
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS

The Stockholders and Board of Directors
FIDELITY MUTUAL LIFE BENEFIT ASSOCIATION INC.
6th Floor Omnis Prosperity Tower
377 Gil Puyat Avenue, Bgy. Bel-Air
Makati City, 1209

Report of the Audit of the Financial Statements



Opinion

I have audited the financial statements of **FIDELITY MUTUAL LIFE BENEFIT ASSOCIATION INC.**, which comprise the statement of financial position as at December 31, 2023 and 2022, and the statement of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **FIDELITY MUTUAL LIFE BENEFIT ASSOCIATION INC.**, as at December 31, 2023 and 2022 and its financial performance and its cash flows, for the years then ended in accordance with Philippine Financial Reporting Standard (PFRS).

Basis for Opinion

I conducted my audits in accordance with Philippine Standards on Auditing (PSA). My responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of Financial Statements section of my report. I am independent of the Corporation in accordance with the Code of Ethics for Professional Accountants in the Philippines, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Matters

The financial statements of **FIDELITY MUTUAL LIFE BENEFIT ASSOCIATION INC.**, as of and for the year ended December 31, 2022, which are presented for comparative purposes, were audited by another auditor whose report thereon expressed an unmodified opinion on those statements.

Responsibilities of Management and Those Charged with Governance for Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error. In preparing the financial statements management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting

Those charged with governance are responsible for overseeing the Corporation financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists.

Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with PSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- * Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedure responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, on the override of internal control.
- * Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- * Conclude on the appropriateness of management's use of the going concern basis in accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

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



Report on the Supplementary Information Required under Revenue regulation 15-2010

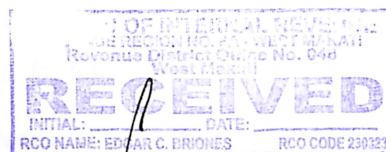
My audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and licenses fees in one of the Notes to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in my audit of the basic financial statements. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

SURETA & ASSOCIATE, CPAs

myclaret
ESTER P. CLARETE

Partner

Certified Public Accountant
Board Certificate No. 51131
PTR No. 5163351 Malabon City
January 10, 2024
TIN: 116-241-169
IC Acc. No. IC-EA-2024-0003-N
BIR AN: 05-002844-001-2024
Valid from January 12, 2024 to 2027
BOA AN: 9634 until June 7, 2026
April 12, 2024
Malabon City



APR 30 2024

SURETA AND ASSOCIATE, CPAs
CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditor's Report
To Accompany Income Tax Return**

The Stockholders and Board of Directors
FIDELITY MUTUAL LIFE BENEFIT ASSOCIATION INC.
6th Floor Omnis Prosperity Tower
377 Gil Puyat Avenue, Bgy. Bel-Air
Makati City, 1209

I have audited the financial statements of Fidelity Mutual Life Benefit Association Inc., for the calendar year December 31, 2023, on which we have rendered the attached report dated April 12, 2024.

In compliance with Revenue Regulations V-20, we are stating the following:

The taxes paid or accrued by the above Company for the calendar year December 31, 2023 are shown in the Schedule of Taxes and Licenses attached to the Annual Income Tax Return.

That I am not related by consanguinity or affinity to the stockholders of the Company.

SURETA & ASSOCIATE, CPAs

Esther P. Clarete
ESTER P. CLARETE
Partner

Certified Public Accountant
Board Certificate No. 51131
PTR No. 5163351 Malabon City
January 10, 2024
TIN: 116-241-169
IC Acc. No. IC-EA-2024-0003-N
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Malabon City



SURETA AND ASSOCIATE, CPAs
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS

The Stockholders and Board of Directors
FIDELITY MUTUAL LIFE BENEFIT ASSOCIATION INC.
6th Floor Omnis Prosperity Tower
377 Gil Puyat Avenue, Bgy. Bel-Air
Makati City, 1209

I have audited the financial statements of **FIDELITY MUTUAL LIFE BENEFIT ASSOCIATION INC.**, as of and for the years ended December 31, 2023 and 2022, on which I have rendered the attached report dated April 12, 2024.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information shown in **Annex A** (Reconciliation of Retained Earnings) **Annex B** (List of Effective Standards and Interpretation) is presented for purposes of filing with the Securities and Exchange Commission in accordance with SRC Rule 68 and is not a required part of the basic financial statements. Such information is the responsibility of management and has been subjected to the auditing procedures applied in my audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as whole.

SURETA & ASSOCIATE, CPAs

Malabon City
ESTER P. CLARETE

Partner

Certified Public Accountant
Board Certificate No. 51131
PTR No. 5163351 Malabon City
January 10, 2024
TIN: 116-241-169
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FIDELITY MUTUAL LIFE BENEFIT ASSOCIATION INC.

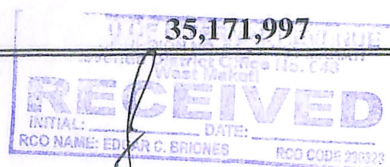
(Formerly: Fidelity Mutual Life Inc)

COMPARATIVE STATEMENTS OF FINANCIAL POSITION

(Amounts in Philippine Peso)

		December 31	
ASSETS	Notes	2023	2022
CURRENT ASSETS			
Cash & Cash Equivalents	4	32,575,228	22,280,260
Other current assets	5	2,596,769	8,355,895
Total Current Assets		35,171,997	30,636,155
PROPERTY & EQUIPMENT			
Office Furniture, Fixtures & Equipment	6	46,738	46,738
Less: Depreciation		(46,738)	(46,738)
Net		(0)	(0)
TOTAL ASSETS		35,171,997	30,636,155
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued expenses	7	299,426	1,349,525
Liability on Individual Equity Value		12,734,246	8,691,096
Basic Contingent Benefit Reserve		576,642	516,978
Claims Payable on Optional Benefit		2,142,843	2,066,599
Total Liabilities		15,753,156	12,624,198
Equity			
Capital Contributions		5,000,000	5,000,000
Cumulative Earnings		14,418,840	13,011,957
Total Equity	9	19,418,840	18,011,957
TOTAL LIABILITIES AND EQUITY		35,171,997	30,636,155

See accompanying Notes to Financial Statements.



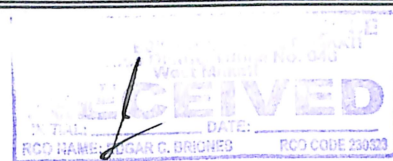
APR 30 2024

FIDELITY MUTUAL LIFE BENEFIT ASSOCIATION INC.

(Formerly: Fidelity Mutual Life Inc)

COMPARATIVE STATEMENTS OF COMPREHENSIVE INCOME*(Amounts in Philippine Pesos)*

December 31			
	Note	2023	2022
REVENUE		11,958,593	10,455,490
OPERATING EXPENSES	8	10,567,125	6,735,612
OPERATING INCOME (LOSS)		1,391,468	3,719,878
INTEREST INCOME	5	15,416	116,011
INTEREST EXPENSE		-	-
LOSS BEFORE INCOME TAX		1,406,884	3,835,889
INCOME TAX EXPENSE (BENEFIT)			
Current			
Deferred			
NET INCOME		1,406,884	3,835,889

See accompanying Notes to Financial Statements.**APR 30 2024**

FIDELITY MUTUAL LIFE BENEFIT ASSOCIATION INC.

(Formerly: Fidelity Mutual Life Inc.)

STATEMENTS OF CHANGES IN FUND BALANCE

(Amounts in Philippine Pesos)

		December 31	
	Note	2023	2022
MEMBERS CONTRIBUTIONS			
Balance at beginning of the year		5,000,000	5,000,000
Additions during the year		-	-
Balance at the end of the year		5,000,000	5,000,000
ACCUMULATED EARNINGS			
Balance at beginning of the year		13,011,957	9,176,068
Net income for the year		1,406,884	3,835,889
Balance at the end of the year		14,418,841	13,011,957
TOTAL FUND BALANCE	9	19,418,841	18,011,957

See accompanying Notes to Financial Statements.

FIDELITY MUTUAL LIFE BENEFIT ASSOCIATION INC.

(Formerly: Fidelity Mutual Life Inc)

COMPARATIVE STATEMENTS OF CASH FLOWS*(Amounts in Philippine Pesos)*

		December 31	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income(Loss) before income tax		1,406,884	3,835,889
Adjustments for:			
Depreciation and amortization		—	6,325
Interest income	4	(15,416)	(116,011)
Operating loss before working capital changes		1,391,468	3,726,203
Changes in operating assets and liabilities:			
Decrease in:			
Receivable	5	5,759,126	(4,554,643)
Increase (decrease) in accounts payable			
Increase (decrease) in payables		3,128,959	674,462
Cash used in operations		10,279,553	(153,978)
Income tax paid		—	—
Interest received	4	15,416	116,011
Net cash used in operating activities		10,294,968	(37,966)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment		—	—
Increase in refundable deposits		—	—
Net cash used in investing activities		—	—
CASH FLOW FROM FINANCING ACTIVITY			
Proceeds of loans payable			
Payments made to an affiliate			
Proceeds from issuance of shares			
NET DECREASE IN CASH		10,294,968	(37,966)
CASH AT BEGINNING OF YEAR		22,280,260	22,318,227
CASH AT END OF YEAR	4	32,575,229	22,280,260

See accompanying Notes to Financial Statements.

FIDELITY LIFE MUTUAL BENEFIT ASSOCIATION INC.

Notes to Financial Statements

As of December 31, 2023 & 2022

1. Organization and Operation

1.1 Corporate Information

FIDELITY LIFE MUTUAL BENEFIT ASSOCIATION INC. (Formerly: Fidelity Mutual Life Inc.) was incorporated and registered with the Securities and Exchange Commission (SEC) on October 23, 2012, with SEC Registered No. CN201218679. That the purpose of for which such Association is formed is to advance the interest and promote the welfare of the poor, in particular, and the Interest and welfare of the Philippines, in general. To provide financial assistance to its members, and the members' spouse children and parents in the form of death benefits, sickness benefits, provident savings and loan redemption assistance. To provide access and mechanism for the lower income households to cope with uncertainly and risks. To empower Filipinos in the lower economic segment to build up and manage their own resources to secure their future and to become the leading Microinsurance provider that will contribute to poverty alleviation in the Philippines.

The Corporation has amended its Articles of Incorporation particularly its name from **Fidelity Mutual Life Inc.** to **FIDELITY LIFE MUTUAL BENEFIT ASSOCIATION INC.** and its address from **King's Court 1 Bldg., 2129 Don Chino Roces Avenue, Makati City** to **9/F King's Court 1 Bldg., 2129 Don Chino Roces Avenue, Makati City** last August 15, 2016.

1.2 The financial statements of the company for the year ended December 31, 2023 was authorized for issue by the Board of Directors on April 12, 2024.

2. Significant Accounting and Financial Reporting Policies

Basis of Preparation

The financial statements of **FIDELITY LIFE MUTUAL BENEFIT ASSOCIATION INC.** (Formerly: Fidelity Mutual Life Inc.) have been prepared on a historical cost basis and are presented in Philippine Peso, which is the Company's functional and presentation currency and all values are rounded off to the nearest peso except when otherwise indicated.

Statement of Compliance

The Company applied Section 35, "Transition to the PFRS for SMEs" in preparing the financial statements with January 1, 2010 as the date of transition.

Changes in Accounting Policies

The Company has adopted the following amended PFRS during the period. The adoption of this revised standard did not have any effect on the Company's financial position and results of operation. It does, however, give rise to additional disclosures in the financial statements.

PERS 7, Financial instrument: Disclosure and the complementary amendment to PAS 1, Presentation of Financial Statements: Capital Disclosures. (Effective for annual period on or after January 1, 2007).

The principal effects of the above changes are as follows:

FIDELITY LIFE MUTUAL BENEFIT ASSOCIATION INC.

Notes to Financial Statements

As of December 31, 2023 & 2022

1. Organization and Operation

1.1 Corporate Information

FIDELITY LIFE MUTUAL BENEFIT ASSOCIATION INC. (Formerly: Fidelity Mutual Life Inc.) was incorporated and registered with the Securities and Exchange Commission (SEC) on October 23, 2012, with SEC Registered No. CN201218679. That the purpose of for which such Association is formed is to advance the interest and promote the welfare of the poor, in particular, and the Interest and welfare of the Philippines, in general. To provide financial assistance to its members, and the members' spouse children and parents in the form of death benefits, sickness benefits, provident savings and loan redemption assistance. To provide access and mechanism for the lower income households to cope with uncertainly and risks. To empower Filipinos in the lower economic segment to build up and manage their own resources to secure their future and to become the leading Microinsurance provider that will contribute to poverty alleviation in the Philippines.

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The principal effects of the above changes are as follows:

FIDELITY LIFE MUTUAL BENEFIT ASSOCIATION INC.

Notes to Financial Statements

As of December 31, 2023 & 2022

PFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risk arising from financial instruments, including specified minimum disclosures about risk, liquidity risk and market risk. It replaces PAS 30, *Disclosures in Financial Statements of Banks and Similar Financial Institutions*, and the disclosure requirements in PAS 32, *Financial Instruments: and Presentation*. It is applicable to all entities that report under PFRS. The amendment to PAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The Company is currently assessing the impact of PFRS 7 and the amendment of PAS 1 and expects that the main additional disclosures will be sensitivity analysis to market risk and capital disclosure required by PFRS 7 and the amendment to PAS 1.

The following standards and amendments and Philippine Interpretation are effective for annual periods beginning on or after January 1, 2006 but are relevant to the Proprietorship:

- Amendment to PAS 19 "Employee Benefits";
- Philippine Interpretation, IFRIC 4, "Determining Whether an Arrangement Contains a Lease";
- PFRS 6, Exploration for an Evaluation of mineral Resources";
- Amendments to PAS 21,, "the Effects of Changes in Foreign Rates";
- Amendment of PAS 29, "Financial Instruments Recognition and Measurement;
- Philippine Interpretation IFRIC 5, "Rights to Interest Arising from Decommissioning Restoration and Environmental Rehabilitation Finds";
- Philippine Interpretation IFRIC 6, "Liabilities Arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment";
- Philippine Interpretation IFRIC 7, "Applying the Restatement Approach Under PAS 29", Financial Reporting in Hyperinflationary Economies";
- Philippine Interpretation IFRIC 8, "Scope of PFRS 2", and
- Philippine Interpretation Q&A 2006-PAS 18 appendix, paragraph 9 – Revenue Recognition for Sales of Property Units Under Pre-completion Contracts.

Other standards and amendments but not relevant to the Company:

- Philippine Interpretation IFRIC 9, "Reassessment of Embedded Derivatives" (Effective for annual period beginning on or after January 1, 2006).
- Philippine Interpretation IFRIC 10, "Interim Financial Reporting and Impairment (Effective for annual period beginning on or after November 1, 2006);
- Philippine Interpretation IFRIC 11, PFRS 2 – Group and Treasury Shares Transactions" (Effective for annual period beginning on or after March 1, 2007).

Standards and interpretations not yet effective:

The Company has not applied the following PFRS and Philippine Interpretations which are not yet effective for the year ended December 31, 2020.

The above standards have no impact on the financial statements.

Cash and Cash Equivalent

Cash includes cash in hand and in banks. Cash equivalents are short-term, highly liquid investment that are readily convertible to known amounts of cash with original maturities of three months or less and are subject to an insignificant risk of change in value.

FIDELITY LIFE MUTUAL BENEFIT ASSOCIATION INC.

Notes to Financial Statements

As of December 31, 2023 & 2022

Impairment of Financial Assets

The Corporation assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Accounting Policies Prior to January 1, 2006

Revenue Recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognized.

Taxes

Current Tax. Current tax assets and liabilities for the current and prior period measure at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and as laws used to compute the amount are those that are enacted substantively enacted at balance sheet date.

The tax expense represents the sum of the tax currently payable and differed tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using 35% tax rate.

Provisions

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

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence at the balance sheet date, including risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain as a separate asset, not exceeding the amount of the related provision. 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 whole. In addition, long-term provisions are discounted to their present values, where time value of money is material.

In those cases where there is 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.

Probable inflows of economic benefits that do not yet meet the recognition criteria of an asset are considered contingent asset, hence, are not recognized in the financial statements.

FIDELITY LIFE MUTUAL BENEFIT ASSOCIATION INC.

Notes to Financial Statements

As of December 31, 2023 & 2022

Other Adopted Accounting Standards

PAS 1, Presentation of Financial Statements

PAS 8, Accounting Policies, Charges in Accounting Estimates and Errors,

PAS 10, Events After the Balance Sheet Date

PAS 24, Related Party Disclosure

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company's financial statements prepared in accordance with PFRS require management to make judgement and estimates that affect amounts reported in the Company's financial statements and related notes.

Judgement

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

Functional Currency

The country has determined that its functional currency is the Philippine peso. Functional currency is the currency of the primary economic environment in which the Company operates.

Estimates

The estimates and assumptions used in the Company's financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the Company's financial statements. Actual results could differ from such.

Estimating allowances for doubtful accounts. Provisions are made for specific and groups of accounts where objective evidence of impairment exists. The Company evaluates these accounts based on available facts and circumstances, including, but not limited, the length of the Company's relationship with the customers' current credit status based on third party credit reports and known market forces, average of accounts, collection experience and historical loss experience.

No allowance for doubtful accounts was provided in the financial statements as the managements believe that its receivables are reasonable collectible.

Financial assets and liabilities

The Company carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgements. Significant components of fair value measurement were determined using verifiable objective evidence (i.e. foreign exchange rates, interest, volatility rates). However, the amount charges in fair value would differ in the company utilized different valuation methodologies and assumptions. Any changes in the fair value of these financial assets and liabilities would affect profit and loss equity.

FIDELITY LIFE MUTUAL BENEFIT ASSOCIATION INC.**Notes to Financial Statements****As of December 31, 2023 & 2022****4. Cash**

Cash represents cash on hand and in banks maintained in savings and current accounts.

This consists of :	2023	2022
Petty Cash Fund	2,000	2,000
Cash	14,462,232	9,717,263
Time Deposits & Placements	18,110,996	12,560,996
	<hr/>	<hr/>
	32,575,228	22,280,260

Cash in banks represent the aggregate balance of the Company's current deposit accounts maintained with banks and earns interest at net of final tax amounting to P 15,416 in 2023 and P 116,011 in 2022 respectively.

5. Other Current Assets

This account consists of the following:	2023	2022
Members Fees and Dues Receivable	2,492,353	-
Receivable –Others	-	8,295,178
Advances- Others	24,719	5,019
Input Tax Receivable	79,696	55,696
	<hr/>	<hr/>
	2,596,768	8,355,895

6. Property and Equipment Net

	2023	2022
Office furniture, fixture and equipment	46,738	46,738
Accumulated Depreciation	(46,738)	(46,738)
	<hr/>	<hr/>
Net	-	-

7. Accounts payable & Accrued Expenses

This account consists of the following:	2023	2022
Other payable	291,317	1,341,317
Withholding Taxes Payable	6,667	7,193
SSS/HDMF /PHIC Contributions	1,442	1,015
	<hr/>	<hr/>
	299,426	1,349,525

8. General and Administrative Expenses

This account consists of the following:	2023	2022
Benefits Claims Expense	993,585	2,883,854
Allocation of Liability on Individual Equity Value	4,043,150	1,105,074
Inc (Dec) Reserve for Basic Contingent Benefit	3,009,232	
Salaries and Wages	253,034	118,515
SSS/HDMF/PHIC Contribution	19,130	5,090
Technical and Professional Fees	973,361	1,022,048
Service Fees	758,262	1,163,932
Office Supplies		1,145
Utilities Expense /Insurance Expense	11,685	19,242
Depreciation	-	6,325
Taxes & Licenses	155,314	166,395
Donations	40,000	30,000
Miscellaneous & Other Charges	310,372	167,690
	10,567,125	6,735,612

9. Fund Balance

The association considers the following as fund balance as of December 31

	2023	2022
Assigned fund Balance	7,142,007	6,409,417
Free and Unassigned Balance	12,276.834	11,602,540
Total	19,418.841	18,011,958

10. Actuarial Certification has been issued for the aggregate reserves as of December 31, 2023.

11. Current Taxes

Income tax expense for the years ended December 31, 2023 and 2022 is composed of final tax on Interest income amounting to 15,416 and 29,003 respectively.

10. Supplementary information required by the Bureau of Internal Revenue

On October 10, 2007 the BIR issued Revenue Regulations No. 12-2007, which amended the timing of the calculation and payment of MCIT from an annual basis to a quarterly basis, i.e excess MCIT from a previous quarter during the current taxable year may be applied against subsequent quarterly or current annual income tax due, whether MCIT or Regular Corporate Income Tax (RCIT). However, excess MCIT from the previous taxable year/s are not creditable against MCIT due for a subsequent quarter and are only creditable against quarterly and annual RCIT. The regulations took effect beginning on the income tax return for fiscal quarter ending September 30, 2007.

In compliance with the requirements set forth by RR15-2010 hereunder are the information on taxes and license fees paid or accrued during the taxable year.

Taxes and Licenses

This account consists of:

Insurance Commission	45,450
Business Permit	99,421
Community Tax Certificate	1,100
BIR Registration	500
Barangay Clearance	4,000
Other	4,843

155,314