

**2021**  
ANNUAL REPORT

# RESET AND REBUILD

ARDCT





# FOREWORD

The past years have not been kind, and 2021 has not panned out any differently as calamities, made worse by the global epidemic, continue to bury every household deeper into the pothole of financial instability. Couple this with the shroud of uncertainty and fear that has gripped the livelihood and businesses to a standstill, and we are looking at a society suspended in time, caught between deciding whether to move forward or yield indefinitely in the dark. The economic crisis kept hurling stones into our basket, bigger than the last, until we find ourselves on our knees and no longer able to stand.

But nobody is ever given more to shoulder than one can bear. The Filipino people remained resilient through and through despite this whirlwind of a year. And while we are fated to eventually progress, we welcome even the slightest nudge to forge ahead an easier path. We look to that beacon of light to be herded out of the darkness and boldly take the first step onward.

*“How could the world go back to the way it was when so much bad had happened? But in the end, it’s only a passing thing, this shadow. Even darkness must pass. A new day will come. And when the sun shines it will shine out the clearer.”*

– J.R.R. Tolkien

From a humble rural development project, Agricultural and Rural Development of Catanduanes Incorporated which we now know as ARDCI Microfinance, Incorporated, envisioned a community that is capable and self-sustaining. The company has grown to become a pioneer microfinance institution pledged to offer financial assistance to its members that is sustainable both ways. It has expanded its reach across the country to close the distance between the members and their dreams. Today more than ever, we value organizations like such to be the torchbearer that can usher us into solid ground. As the economy slowly picks up pace, our common folk will necessitate greatly from the company’s guiding principles of excellence and empowerment.

This is ARDCI’s legacy. Backed by its members’ unwavering trust, the company is devoted to stay as the frontrunner in microfinancing services for economic growth. Its commitment and genuine concern to the people is entrenched from its founders’ common aspiration of improving economic welfare by giving the entrepreneurial sector a chance at a life lived in comfort and prosperity. ARDCI believes that with hard work and grit, one can shape a reality out of something intangible like hope.

As the nation navigates its way through the torment brought by the current and previous year’s ordeal, we hope for healing. Along with the demands of time is ARDCI’s promise of delivering the level of service its members have come to expect. May the lessons we learned along the way enable us to see beyond this partnership and shed a new light to the verse “[Katuwang sa Kabuhayan](#)”.



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# MESSAGE



I would like to thank my colleagues on the Board for their valuable contribution in steering the institution. I would also like to thank the management team for their dedication and hard work in keeping our operations intact no matter the disruption brought about by the pandemic. Despite not meeting the initial targets set for 2021, I am still very proud to know that our operations and outreach were not that severely hindered during this period. Over a year into the pandemic, the efforts of ARDCI Microfinance, Incorporated (ARDCI MFI) as a microfinance institution focused on recovering with the pre-pandemic activities and on building further resilience, while at the same time exploring new opportunities and venturing to new areas of operations. Our institution is willing to exhaust all possible ways to still fulfill its mission of delivering sustainable development services for the empowerment of the poor.

This year, we have centered our efforts in recapturing lost market percentage and boosting collection of repayments while allowing us to work within the standard

minimum health protocols, and digital initiatives integrated to our operations to serve more members. We, in turn, will make sure that our push towards digital transformation will accelerate even further without losing personal touch to our members.

We look forward to facing the challenges ahead, and we are more than excited to celebrate the successes made possible by the never-ending support and loyalty of our clients and partners as well as ARDCI MFI's hardworking and devoted staff. Their burning passion and commitment to empower one another is what pushes this institution to grow. It is through these genuine relationships that we were able to build such a strong foundation for ARDCI MFI. We will work together as we continue to be your Katuwang sa Kabuhayan.

Thank you and mabuhay!

  
**ROGELIO S. BITOME**  
BOT Chairman

## MESSAGE



Despite the hurdles posed by the spread of COVID-19, 2021 has been a demonstration of the microfinance industry's unwavering commitment to provide assistance to the low-income entrepreneurial communities across the nation. The strains of the pandemic and threats from continuing mutation of the virus that causes it have significantly challenged the public health, undermined the economy, and turned the lives of billions of people upside down. Authorities were pushed to impose preventive measures and restrictions to control the spread of COVID-19, consequently giving rise to the disruption of normal business operations and eventually, threats on liquidity.

Since the outbreak, ARDCI was no stranger to these struggles viewed both as a challenging and learning phase. During the fiscal year of 2019–2020, the company was admittedly dipping in the reds from defying the brunt of the pandemic. And while liquidity seemed far from the ideal, recovering meant rolling with the punches.

The management had to employ adjustments to business operations. We adopted a viable framework that can rebuild our members' livelihood and provide relief to the pressures of repayment while maintaining the company's sustainability. In pursuance of the implementing rules and regulations of Republic Act No. 11469 otherwise known as the "Bayanihan To Heal As One" Act, a 30-day moratorium was granted for all loans with principal and/or interest falling due within the quarantine period. Membership accounts struggling to meet payment terms were temporarily placed on resting status.

Come 2021. Given another critical year in crisis, we picked up where we left off and asserted two goals that were driving us: (1) to regain ARDCI's lost returns reflected on the company's dwindling total loan portfolio and outreach, and (2) to restore the benefits centered on our members and workforce.

The cogs of frontline operations were back to its usual turning and grinding to make up for the losses from an idle year. Field workers were suitably redeployed in stages. Meeting payment terms was gradual but steady, owing to the company's strategic implementation of policies and measures. The adaptability and resilience of the management were evident in every key action taken to get some liquidity and resume client level repayments.

The Balik-Sagip Program continued to consider members greatly affected by the pandemic and failed to meet loan terms. Through this initiative, past members were given a chance to re-establish their partnership with the company and consequently increase our outreach.

ARDCI's Extended Insurance Membership Program significantly contributed in reversing the trend of crisis through extension of our insurance services providing additional safety net to household

members and non-SLS employees.

Cash incentives were also granted to the workforce staff who tested positive for COVID-19 and their close-contact, with continued provision of salary for the length of their quarantine period.

Every action taken by the management remains rooted to our genuine concern for others and our promise of commitment to excellence. As we venture further into the chasm of uncertainty, we will continue to innovate and secure our foothold through policy modifications necessary to counter emerging challenges and safeguard a favorable outcome.

Along with this message, I also hereby submit a summary of the business and operational changes of ARDCI MFI for the fiscal year ended December 2021.

## EXECUTIVE SUMMARY

### On Meeting the Requirements of the Microfinancing NGO Regulatory Council (MNRC)

In line with RA No. 10693 or the Microfinance Act of the Philippines, ARDCI has continuously complied with the requirements of the MNRC to maintain the 2% preferential tax given as a privilege to accredited microfinance NGOs. The culminated 3.10% PAR Ratio indicates the company's excellent performance, surpassing the 5% standard rating in Portfolio Quality.

### Directors and Key Managerial Personnel

- Nestor T. Tayoto, former Operations Head of Samar / Leyte Area, was appointed as Director for Human Resources Management Unit.
- Antonio T. Rodulfo, former Operations Head of Central Luzon / Pangasinan Area, was appointed as Director for Operations Unit.
- In accordance with Board Resolution #193 Series of 2021, Research Unit will officially become Research and Development Unit.

### Company Outreach, Products, and Services

ARDCI's efforts in furthering its reach since the start of pandemic has been consistent as demonstrated by its year-end tally of 93 branches nationwide, now catering to 160,413 members. 75% of which, are active or borrowing members.

- On Savings, almost 40% of the members were amenable to providing extra fund for Capital Build Up Savings and Voluntary Savings, a good indicator of the members' capacity to save amidst the pandemic.
- On Loans, the pandemic's impact slowly waned as 50% of the members re-applied and availed loans. Majority of which, are new members or those with a membership period of at least 2 (two) years, who are expressly satisfied with their approved Micro-Business Loans.
- On Insurance, the company has extended its services to non-SLS members through ARDCI Insurance Extended Membership. With this new offering, employees from both private and government agencies can obtain total life insurance coverage at an affordable monthly premium.

## Details of Subsidiaries and Joint Ventures

- During the year in review, ARDCI MFI was able to house its own vaccination site under the auspices of Catanduanes Provincial DOH Office and the local government's Rural Health Unit as part of the nation's vaccination rollout initiative to counter the spread of COVID-19.
- On this same year, ARDCI Mart Inc. (AMI) and ARDCI Business and Development Corporation (ABDC) were both registered in effect through the Securities and Exchange Commission as ARDCI MFI's fifth and sixth subsidiary.
- Lot acquisition in Hawan Ilaya, Virac to house the Swine Breeding Project in partnership with the Department of Agriculture – Philippine Rural Development Program.
- Continuous development of ARDCI Corporate Building 2 to house new facilities and enterprises for the company.

## Corporate Social Responsibility

To continue the existing and upcoming programs of ARDCI MFI's Corporate Social Responsibility, ARDCI Foundation, Inc. (AFI) was inaugurated in August 2021 as a nonstock corporation under the laws of the Philippines. AFI advocates for health, education, environment, livelihood support, and community building through ARDCI's 5K Initiatives – Kalusugan, Karunungan, Kabuhayan, Komunidad, and Kalikasan.

ARDCI started as an organization championing the trust of the entrepreneurial sector. No matter what situation we are in, our relentless effort on putting members first, will pave the way to our long-term path. It is through the support of the management, the Board, and our members that ARDCI continues to be undeterred by any challenge. I thank you for your commitment to overcoming every struggle and enriching this partnership. For now, we take it a step at a time. Heal. Reset. Rebuild our foundations. And tomorrow, we shall be leaping again.



**VICTOR T. BERNAL**  
Executive Director

# COMPANY BACKGROUND

ARDCI Microfinance, Incorporated was first established as a government-aided project called Catanduanes Agricultural Support Program (CatAg). Jointly funded by the national government and the European Union, it began as a five-year program governed by the Department of Agriculture to rid the strain of poverty in rural communities of Catanduanes. That premise conceived a viable and fully autonomous rural financial institution of confederated Savings Loan Systems (SLS) managed by its modest fellowship of farmers and small business-owners. The founding members' eagerness to sustain the revenue influx and growth preceded the transition to Agricultural and Rural Development of Catanduanes, Incorporated (ARDCI). This historic evolution was pivotal to the life of many who aspired to sever the restraints of financial scarcity. Today, ARDCI is no longer just a name, but the legacy of a group of common folks that has flourished into an organization built for the common people.



## ARDCI THEN AND TODAY

1995

Catanduanes Agriculture (CatAg) Support Program, a development program of the Department of Agriculture and the European Union, was launched to improve the livelihood of rural communities in Catanduanes.

1998

The agricultural program's culmination heralded its transition to a non-government organization known to the public as Agricultural and Rural Development of Catanduanes, Incorporated (ARDCI). This was made official on September 11, 1998 by the founding members through Securities and Exchange Commission (SEC) registration.

2002

On October 8, 2002, Catanduanes became home to the first microfinance-oriented bank in the Philippines named VisionBank, Inc. – A Rural Bank which primarily offered services to Virac, Bato, and San Miguel.

2012

ARDCI completed its new organizational shift as ARDCI NGO Group, Inc. by virtue of filing its amended articles of incorporation under the company registration number 1199800277 per SEC confirmation.

# 2021

## **ARDCI Foundation, Inc. (AFI)**

was inaugurated on August 8, 2021. AFI is an offshoot of ARDCI MFI's Corporate Social Responsibility (CSR) organized as a nonstock corporation which engages in charitable activities. On this same year, ARDCI Mart Inc. (AMI) and ARDCI Business and Development Corporation (ABDC) were both registered in effect through the Securities and Exchange Commission as ARDCI MFI's fifth and sixth subsidiaries.

2013

ARDCI Corporate Inn (ACI), a hotel subsidiary of ARDCI NGO Group, Inc., was developed to offer a variety of affordable facilities and services to the locals and visitors in Catanduanes.

2015

VisionBank, Inc. – A Rural Bank was renamed ARDCIBank, Inc., - A Rural Bank to align with the branding of its mother organization.

2017

In compliance with the requirements of Microfinance NGO Regulatory Council (MNRC), ARDCI has again amended its name into ARDCI Microfinance, Incorporated (ARDCI MFI). On February of the same year, ARDCI Prime Security Services (APSS) Inc., a home-grown security agency in Catanduanes, was established as the organization's third subsidiary set to provide security services for ARDCI MFI and other private and public institutions.

2020

ARDCI Credit Corporation (ACC), fourth of ARDCI MFI's subsidiaries, was launched on January 8, 2020 to cater to the monetary needs of Small and Medium-sized Enterprises beyond the scope of microfinancing.

## WHAT DRIVES US



### VISION

A forerunner in grassroots-led delivery of sustainable development services for the empowerment of the poor in the Philippines.



### MISSION

We are a progressive and sustainable development institution providing financial and non financial services to the entrepreneurial poor for an improved socio-economic well-being.



### OBJECTIVES

1. To reach out to 175,000 members in the Philippines.
2. To improve socio-economic conditions of members.
3. To provide proactive products and services to members.
4. To ensure financial sustainability of ARDCI.
5. To make ARDCI a happy and rewarding place to work in.

## WHAT SHAPES US

### EXCELLENCE

The nation has changed on multiple fronts, and these changes have underlined the importance of adaptation in achieving success during this time of crisis. ARDCI's dedication to excellence is contextualized within its ability to evolve with the emerging changes and identify opportunities for the company to exceed the standards in delivering quality service to its members.

### INTEGRITY

The pandemic has impacted the entrepreneurial sector of the community in severely disproportionate ways, but ARDCI remained loyal to its cause of reinforcing the foundation of its members' economic welfare by providing suitable products and services.

### GENUINE CONCERN FOR OTHERS

ARDCI's eagerness and capacity to help communities in crisis has never faltered. Regardless of the struggles it has faced as a company hugely affected by the pandemic, it endured to be of service to its members and to the rest of those in need. The management and its people are no stranger to the strains of poverty and are committed to the promise of charity and aid.

### HUMILITY

Regarded as the people's organization, ARDCI is eternally humbled by the unyielding support and patronage of its members. This partnership continues to flourish since the organization was started and now governed by a group of common folks dedicated to being of service to their fellow common people. Humble beginnings lead to humble wins.

### TEAMWORK

ARDCI believes in the value of working with others. Whether it be with colleagues or the loyal members, working towards a common goal fosters a partnership that transcends all barriers of success. The institution's accomplishments are associated with the constant collaboration among the members of the board, the directors, and employees devoted to fulfill every member's need.

# PRODUCTS AND SERVICES

We reach out, empower people, and change lives.  
We do this across three dimensions:

## MICRO-SAVINGS

For a low minimum weekly deposit, members have the freedom to set aside surplus in their finances. ARDCI's micro-savings services allow members' savings to grow with yearly compounded interest as an incentive to their saving habit.

## MICRO-LOANS

ARDCI's micro-loans offer non-prededucted, collateral-free, and capacity and cash flow-based loans with low monthly interest rate to help members boost their businesses and livelihood.

## MICRO-INSURANCE

On the aspect of financial security during uncertain times, the importance of being insured can never be overstated. Members can avail of this offering at an affordable premium for protection from the financial burdens of death, sickness, accidents, and disability.

Highest possible interest for savings capped at Php 300,000.



As low as  
**2%**  
monthly interest rate



**162K**  
Maximum basic life insurance coverage



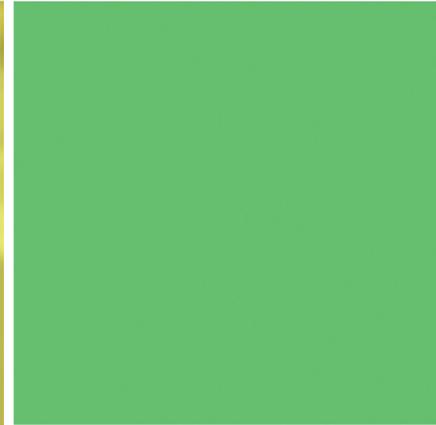
## ARDCI EXTENDED INSURANCE MEMBERSHIP

The ARDCI Extended Insurance Membership is a special insurance program for private and government employees recently launched this 2021. This new product, with almost the same benefits our SLS members enjoy, offers the best life coverage fulfilled by PhilLife Financial at an affordable premium to help members build a secured future.





# 2021 at a glance



**120,273**  
Borrowing Members

**PHP 1,100,935,542.35**  
Total Loan Portfolio

**93**  
Branches  
Nationwide

## PERFORMANCE HIGHLIGHTS

Surpassing the standards of performance brings pride to the company... but to have produced these figures in a time of crisis was surreal, to say the least.

**PHP 3,136,683,800.00**  
Total Loan Releases

**160,413**  
Total Members

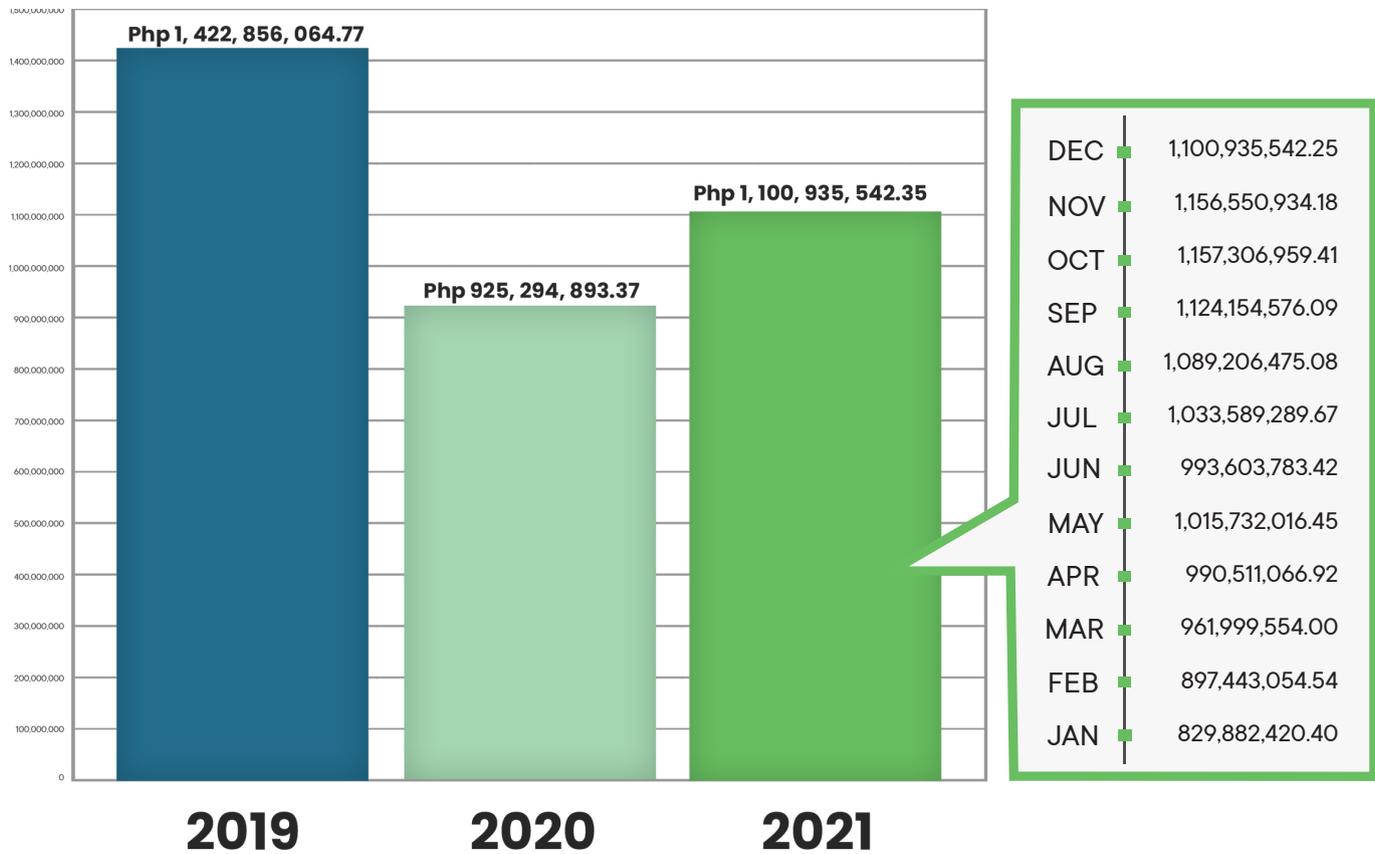
**9%**  
Increase in  
Outreach

**PHP 11,092,500.00**  
Special Financial Assistance (SFA)

**3.19%**  
PAR Ratio

# ARDCI IN FIGURES

From 2020's major decline in ARDCI's Total Loan Portfolio, this year showed a lot of promise to the company and its members with the figures nearing 2019's pre-pandemic record. On 2021, ARDCI once again broke the 1-billion-peso mark, closing the year with a Total Loan Portfolio of **Php 1,100,935,542.35**.

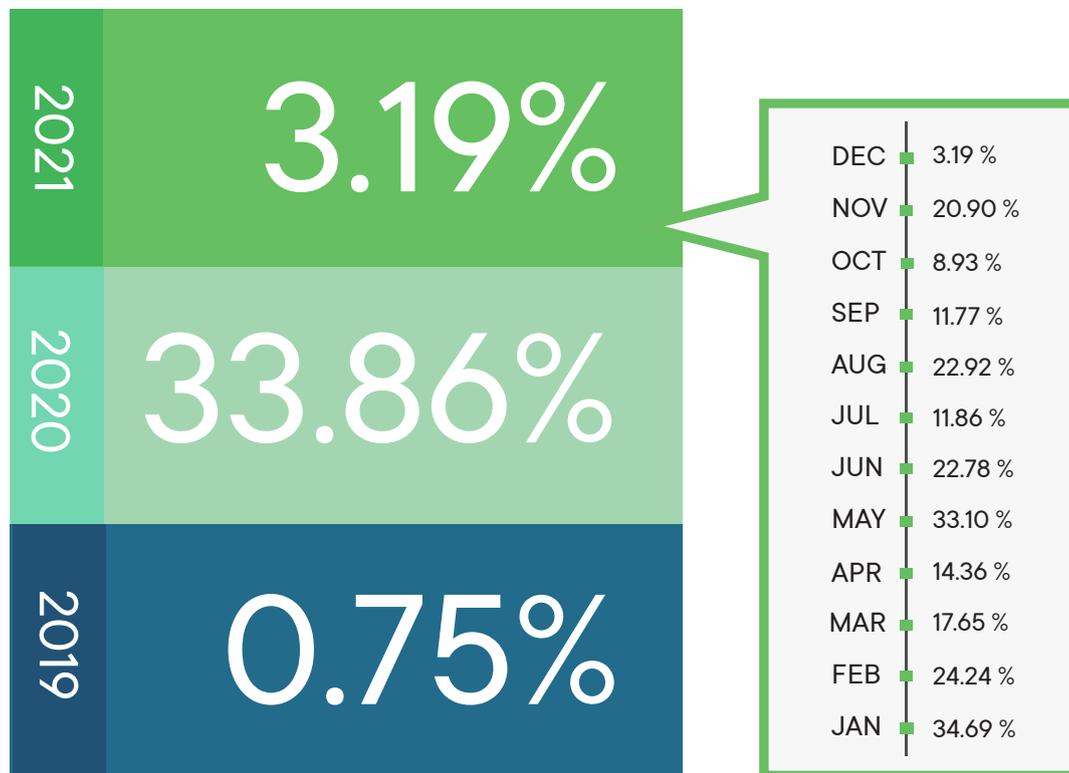


## LOAN PORTFOLIO IN A SPAN OF THREE YEARS

The gradual lifting of quarantine restrictions alongside the intensified vaccination drive paved the way for safe reopening of the economy. 2020 was a long and hard year both for the company and its members. But **2021 proved to be a year of recovery** from the pandemic. Regardless of the setbacks and the continuing threats of COVID-19, ARDCI garnered a

## 3.19% PAR Ratio

by the end of 2021, which surpassed the 5% standard rating in Portfolio Quality set by the Microfinance NGO Regulatory Council (MNRC).



Portfolio At Risk (PAR) is a microfinance institution's indicator of portfolio quality. ARDCI understands that actively sustaining a good portfolio quality indicates an excellent performance in delivering microfinance services to its clients and members.

# ARDCI'S EXPANDING FOOTPRINT



## CATANDUANES

BATO  
BARAS  
VIGA  
CARAMORAN  
SAN ANDRES

## ALBAY

TABACO  
LIGAO  
PIO DURAN  
POLANGUI  
LEGAZPI  
BACACAY  
TIWI

## SORSOGON

SORSOGON CITY  
IROSIN  
CASIGURAN  
PILAR  
BULAN

## CAMARINES NORTE

DAET  
LABO  
CAPALONGA

## CAMARINES SUR

IRIGA  
GOA  
PILI  
CALABANGA  
NAGA  
RAGAY  
SIPOCOT  
CARAMOAN

## MASBATE

MASBATE  
AROROY  
CATAINGAN

## SAMAR

CALBAYOG  
ALLEN  
CATBALOGAN  
CAATARMAN  
BORONGAN

## LEYTE

TACLOBAN  
BAYBAY  
ORMOC  
CARIGARA  
MAASIN  
HILONGOS

## ILOILO

MIAG-AO  
POTOTAN

## PAMPANGA

APALIT  
MEXICO

## BULACAN

SAN MIGUEL

## MINDORO

CALAPAN  
PINAMALAYAN  
BONGABONG  
SAN JOSE  
MAMBURAO  
VICTORIA  
SABLAYAN  
ROXAS

## MARINDUQUE

STA. CRUZ  
BOAC

## PALAWAN

PUERTO PRINCESA  
NARRA

## CAVITE

SILANG  
DASMARIÑAS

## BATANGAS

ROSARIO  
TANAUAN  
LEMERY  
BALAYAN  
BATANGAS CITY

## LAGUNA

STA. CRUZ  
LILIW  
CALAMBA

## QUEZON PROVINCE

LOPEZ  
GUMACA  
TAGKAWAYAN  
CANDELARIA  
LUCENA  
ATIMONAN  
MULANAY  
LUCBAN  
QUEZON

## PANGASINAN

ALAMINOS

## NEGROS

SILAY  
LA CARLOTA  
CADIZ  
HINIGARAN  
SAN CARLOS  
DUMAGUETE

## BATAAN

PILAR  
DINALUPIHAN

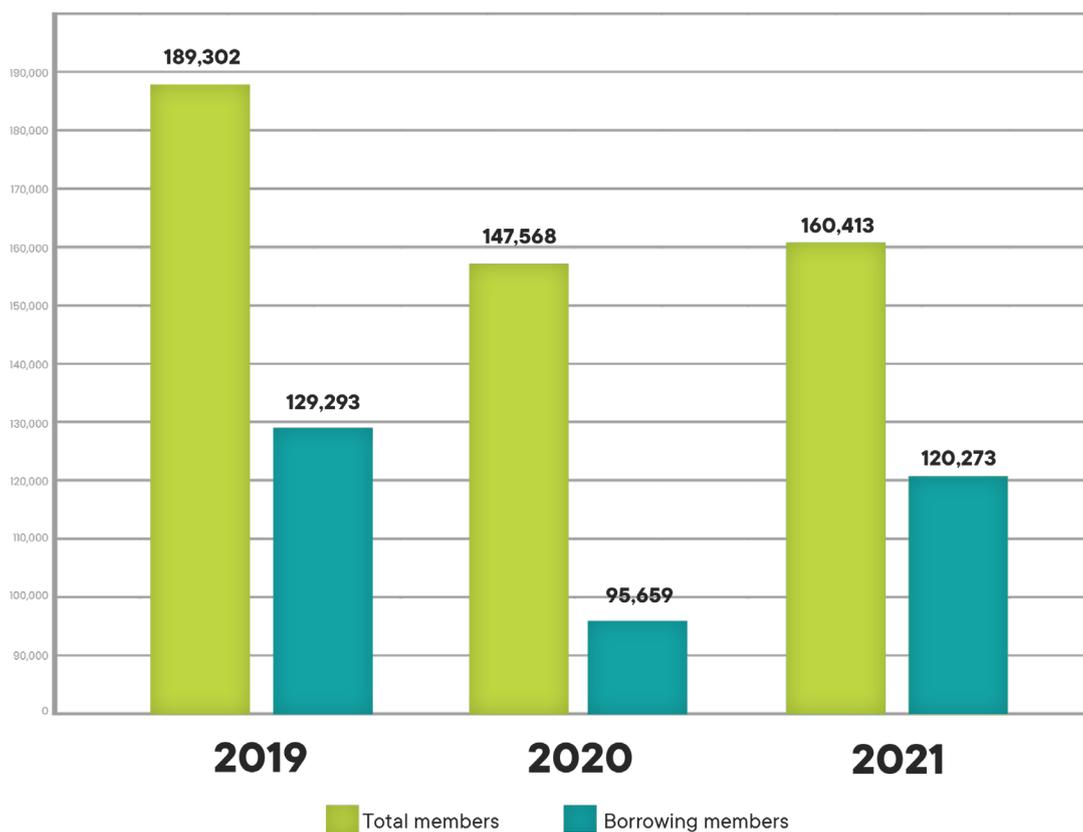
## TARLAC

CAPAS  
MONCADA

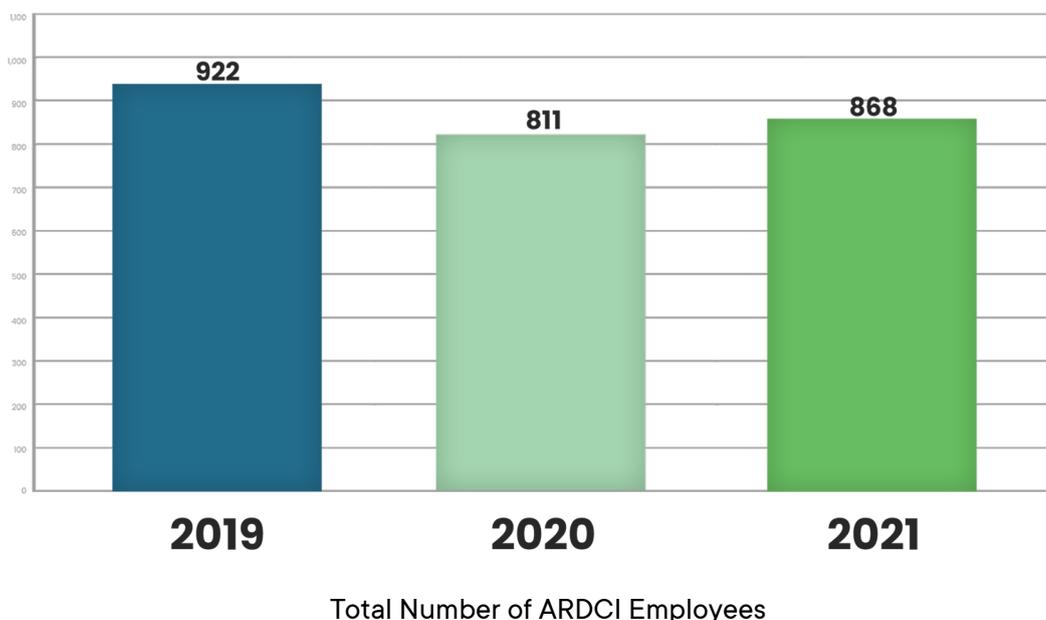
## ZAMBALES

CASTILLEJOS  
IBA  
STA. CRUZ  
SAN FELIPE

By the end of 2021, ARDCI is invested in 93 branches across Luzon and Visayas, catering to a total of 160,413 members. 120,273 of which, are active or borrowing members. The organization's expansion from 2020 shows a 9% or 12,845 increase in outreach, and 26% or 24,614 increase in active or borrowing members. This year's percentage of borrowing members also jumped to 75% compared to last year's 65% of the total members.



Increasing the operational bandwidth also means increased number in management workforce. On 2021, ARDCI was one of the few business institutions to retain and even employ additional personnel.





**ARDCI Foundation firmly believes that it is in giving that we receive. Be it to the families and communities, or the environment that we live in, no act of charity is ever small enough or slighted.**

**From a humble rural development project, ARDCI Microfinance, Incorporated, envisioned communities that are capable and self-sustaining. The organization has grown to become a pioneer microfinance institution pledged to offer financial assistance to its members that is sustainable both ways. Fueled by the organization’s genuine concern for others, ARDCI has since then taken every opportunity to be a catalyst for societal advancement.**

On August 10, 2021, ARDCI Foundation Inc. (AFI) was launched as an offshoot nonstock corporation to continue ARDCI’s Corporate Social Responsibility (CSR). AFI was established as a charitable organization that aims to improve the standard of living of disadvantaged members of society. Through AFI, ARDCI can now pursue its vision of an institution championing health, education, livelihood support, community outreach, and responsibility to the environment. Alongside this launching was the deployment of Shoo Flu: A Child Flu Vaccination Project as the Foundation’s launching activity.



Karie Anne V. Santos, AFI Project Manager opened the ceremonies with a promise to continue the organization’s CSR programs and extend its goodwill to members and non-members alike.



Victor T. Bernal, ARDCI Executive Director, expressed the Foundation’s desire to coordinate with the different provincial sectors to come up with projects for community development.



Heads and emissaries of the different government agencies in Catanduanes glorified their commitment to support the Foundation by raising their glasses together with the AFI delegation at the ARDCI Corporate Inn Function Hall.

The Foundation centers on ARDCI's five-pronged program called the 5K Initiative – Kalusugan (Health), Karunungan (Education), Komunidad (Community), Kalikasan (Environment), and Kabuhayan (Livelihood). While some of the lined-up projects for 2021 were interrupted due to the COVID-19 pandemic, the Foundation is committed to take every opportunity for community service despite the restrictions imposed by the government.



**ARDCI**  
**SCHOLARS**



# INITIATIVES

- KARUNUNGAN
- KALUSUGAN
- KOMUNIDAD
- KALIKASAN
- KABUHAYAN



## KATUWANG SA KARUNANGAN

ARDCI Foundation acknowledges some of the Filipino youth's struggle to enter the academe because of financial incapacity. The Foundation strongly believes that knowledge acquired through proper and complete education gives formidable advantage in empowering the youth today and shape a promising future for them and their family.

### ARDCI Foundation Scholarship Programs

As a bearer of hope, the Foundation offers academic scholarship opportunities and school kits to the aspiring youth to safeguard their future through education. In a span of twelve years, ARDCI has successfully supported 140 scholars from the company's different areas of operation. This year alone, 23 scholars from Catanduanes, 13 from Mainland Bicol, and 13 from the rest of the provinces in Luzon and Visayas, have been backed by the Foundation in their scholastic endeavor.



# KATUWANG SA KALUSUGAN

The main objective of the slated projects for the Katuwang sa Kalusugan campaign is to foster public awareness on the significance of individual and community health, and promote accessibility of essential health facilities, products, and services for the underprivileged. This year, the Foundation’s program concerning health advancement can never be more timely. With the continuing threats of COVID-19, it centered its efforts and resources on mitigating the risks of spreading the disease and avoid its life-threatening complications with free healthcare services for the most vulnerable members of the community.

## Online-si-Dok

Online-si-Dok is one of the program digitalization set forth by the Foundation to sustain the delivery of health services to far-flung communities after the movement and contact restrictions brought by the pandemic. Volunteer doctors of the Foundation rendered a series of online consultations to residents of various barangays in the province deemed most in need of medical assistance. This year, a total of 189 individuals were checked by the affiliate doctors and provided with the prescribed medications. Healthcare kits containing medical supplies and paraphernalia were also donated to the health center of chosen barangays.



## Shoo-Flu Vaccination Project

At the height of the pandemic, the Foundation was given the opportunity to inoculate 100 underprivileged and malnourished children, 6 months to 5 years of age, from the neighboring barangays of Cavinitan, San Isidro Village, Calatagan Proper, Calatagan Tibang, Bigaa, Rawis, Francia, Gogon, Buyo in Virac, Catanduanes. The first dose of the influenza vaccine was given to the children beneficiaries last August 8 and 15, 2021 at the ARDCI Corporate Inn Function Hall as a component of the Foundation’s launching activity, with the second dose administered a month after, at Barangay Buyo Plaza.



## KATUWANG SA KOMUNIDAD

To imbibe the Bayanihan spirit, the Foundation provides outreach programs like gift-giving and relief-operations to give back to the public and alleviate the burdens of the community in whole. The beneficiaries of which, are the trusting members of ARDCI MFI and the underprivileged minorities.

### COVID-19 Vaccination Program

On September 2021, the nationwide deployment of COVID-19 vaccine paved the way for business continuity of the company and its members. Under the auspices of the Foundation, the Department of Health (DOH) and the local government of Catanduanes, ARDCI became the only private institution in the province accredited to participate in the vaccination rollout for the Rest of Population (ROP) and Pediatrics Group.

### Share the Love: A Gift-giving Project

Gift-giving has been a routine project of the ARDCI MFI CSR for many years where children, PWDs (Persons With Disability), senior citizens and PDLs (Persons Deprived with Liberty) are given hygiene kits, PWD equipment, grocery items, and individually wrapped gifts. This year, ARDCI Foundation continued the advocacy of ARDCI CSR and shared the joy of Christmas by giving gifts to the children of Alfonso Maria Fusco Children's Home. The Foundation was also able to distribute hygiene kits to almost 200 PDLs from the Bureau of Jail Management and Penology in San Andres and Virac.

### Maagang Pamasko para sa Pamilya Templonuevo

Christmas also came in early for the Templonuevos as ARDCI Foundation shared a surprise to this family hailing from Arayao, San Miguel. Tito and Helen Templonuevo, though financially challenged, raised seven children, one of which has died of a congenital anomaly while two are physically disabled. The family was chosen by the Foundation as one of the beneficiaries of its Katuwang sa Komunidad initiative and were given two (2) units of wheelchair and groceries.



## KATUWANG SA KALIKASAN

Ecological issues coupled with the onslaught of natural calamities have largely affected our society. That is why the Foundation made it their mission to encourage communities to adopt ecologically-conscious practices and raise awareness on the fragility of the environment and the significance of its protection. Through the initiatives catalogued under Katuwang sa Kalikasan, the Foundation seeks to inspire and catalyze positive change one person at a time.

### Tree-planting

The COVID-crisis may have prompted for this ecological initiative to a halt, but the Foundation is hopeful to continue what ARDCI MFI has started years back. Through tree planting activities, communities can give a hand in environmental restoration one tree at a time. Operating under the auspices of the Department of Environment and Natural Resources (DENR) Region V, the provincial government of Catanduanes and constituents

from the beneficiary barangays, this program is carried out annually. On February 2, 2018, ARDCI Head Office employees bedded 100 seedlings of trees at Sitio Bantuhan in Barangay Hicming and Dugui, Virac, to mark the company's 20th Anniversary. The most recent was conducted last February 22, 2019 in Barangay Palnab Del Sur, Virac where the delegates planted mangrove trees along the coastline.



## Adopt-an-Estero

The Foundation understands the inevitable long-term repercussions of a waste-ridden body of water to the surrounding environment and communities. Adopt-an-Estero is a quarterly project of ARDCI since 2018 in which all Head Office employees and neighboring barangays are encouraged to collectively clean Barangay San Roque Creek, ARDCI's adopted body of water for the past eight years. This routine clean-up initiative ensures that the water from the creek flows freely without wastes and debris as it conjoins with the Gogon River, a wider tributary. Simultaneously, this aids in warding off water-borne diseases such as dengue and malaria in the neighboring communities.



## Coastal Clean-up Drive

ARDCI's series of Coastal Clean-up Drive started 4 years ago when the Department of Environment and Natural Resources (DENR) – Biodiversity Management Bureau invited Local Government Units (LGUs) and other stakeholders to take part in the celebration of World Wetlands Day. Joined by other volunteer groups, delegates from ARDCI collect solid wastes discarded along the shoreline of adjacent barangays for proper waste disposal. This clean-up operation is a collective effort to create awareness in select-areas, lay the groundwork for future waste-reducing efforts, and engage the community in keeping the marine ecosystem healthy and safe.



## KATUWANG SA KABUHAYAN

Due to the government-imposed activity restrictions, ARDCI was only able to carry out its slated Katuwang sa Kabuhayan projects from May to June 2021. Prior to the pandemic's bearing, ARDCI has consistently demonstrated its intent to be every Filipino household's Katuwang sa Kabuhayan through trade and livelihood launches. It is through this effort that the Foundation extends its reach in leading rural communities to a life that is both viable and empowered.





# RESET AND REBUILD

Despite faint silver linings on the nation's struggle against COVID-19, we continue our plight to preserve what has been deemed normal in the pre-pandemic period. We have suddenly been forced to adapt to the "new normal" – lockdown and quarantine, work-from-home setting and modular learning, and adherence to the government-imposed health standards. Depending on the extent of the pandemic in the locality, LGUs can adopt the different quarantine measures outlined by the government through its Inter-Agency Task Force on Emerging Infectious Diseases. All these created unprecedented challenges economically and socially that enterprises no longer saw this adjustment as just an option but a business mandate.



EMBRACING  
THE CULTURE OF  
**NEW  
NORMAL**

Last year's relapse in service delivery and performance has placed ARDCI MFI under pressure, with the organization ceding to a few temporary compromises to regain stability and endure the threats on liquidity.

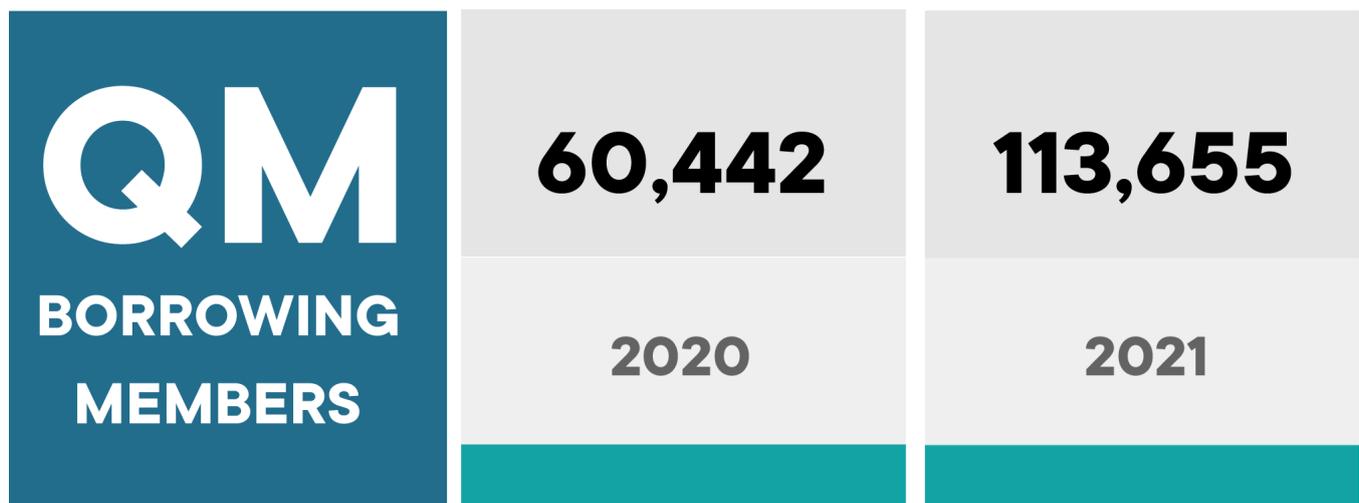
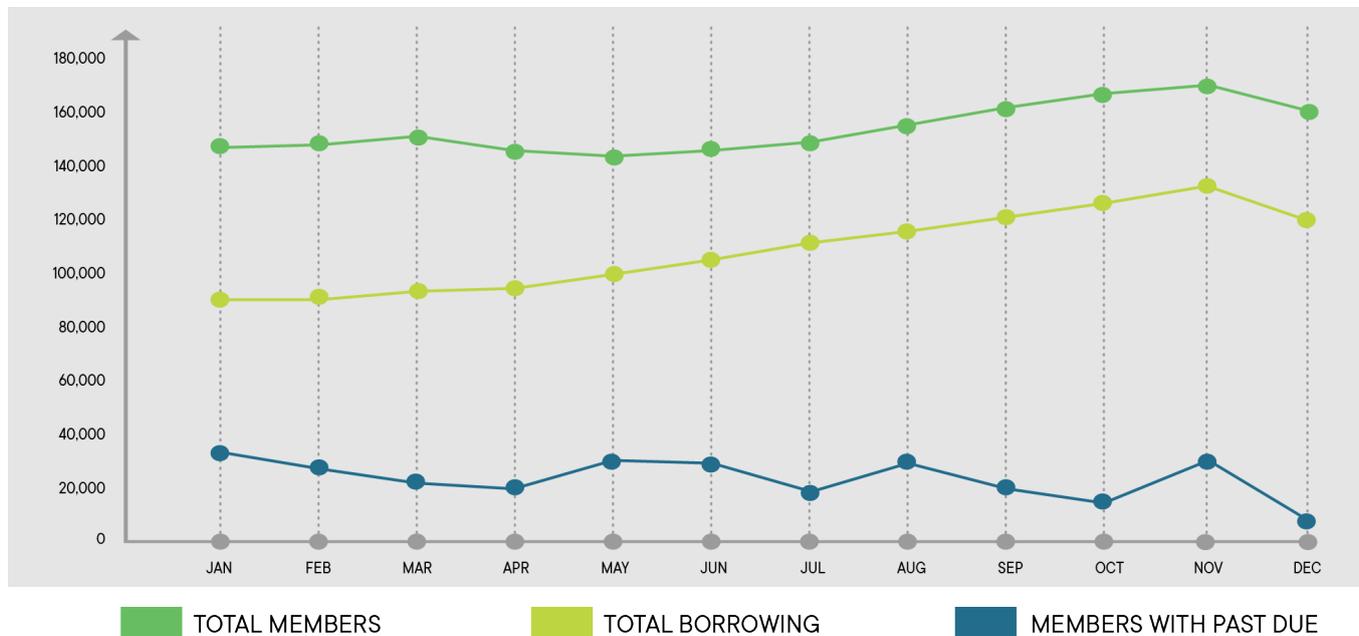
Due payments were given additional one-month extension aside from the government mandated moratorium, and membership accounts struggling to meet the payment terms were put to a resting status.

Members residing in areas with alarming rate of COVID-19 cases were offered to resort to online payment platforms, and a pay-and-go scheme was implemented on places with low to zero prevalence rate. These adjustments underlined

the mission of ARDCI MFI to be a reliable partner in the microfinancing industry. Flexibility was required in the face of multiple forces at play, and a framework that enabled the company to embrace new challenges as they emerge, mitigate risks, and identify opportunities.

Now that the nation has called for a more calibrated approach to the present quarantines and shifted to alert level systems, business operations of ARDCI MFI have slowly eased into the pre-pandemic scheme.

Alongside the diminishing restrictions, this year allowed for free movement of the people, and in turn, the economy. Though the full scale of changes has yet to unfold, ARDCI MFI and its members are off to a strong start.



During this uncertain period, the importance of a resilient and reactive organization cannot be stressed further. ARDCI MFI did not turn a cold shoulder to the threats of the pandemic, rather faced every wave of it head on. The management acted in solidarity and channeled its resources and efforts to mitigate the impact of the pandemic on the company and the members alike.



ARDCI MFI's BALIK-SAGIP program, which centers on re-instituting the written-off account of our clients greatly affected by the pandemic and failed to meet loan terms, was deployed to address the dwindling loan portfolio and company outreach. Extended Insurance Membership was also introduced to the employees of government agencies and private institutions in Catanduanes, to render insurance products with the same premium and benefits as that of the members. Schools and offices from the Department of Education (DepEd) were initially selected to be introduced to ARDCI MFI's new product offering. Both these initiatives fostered the management's objective of extending the security benefits of health and life insurance to the new enrollees.





ARDCI also extended its charity to the members of the community by offering free medical services such as blood sugar assay and electrocardiogram (ECG) tests to the women of San Isidro Village in Virac, Catanduanes. This was done in conjunction with the local government's Service Caravan Para sa mga Kababaihan Program last March 24, 2021.



On 2021, ARDCI Insurance Services in partnership with PhilLife Financial has approved over P130 million grant to membership claims. This amount is comprised of the life insurance coverage and medical benefits stipulated under ARDCI's Micro-Insurance product.

### SUMMARY OF APPROVED CLAIMS FOR 2021 (Total PhilLife Deposits)

Type of Claim	YEAR 2021
Death	112,239,000.00
Credit Group Life Insurance	9,563,500.00
Hospitalization Benefit	3,164,450.00
Loan Protect Plus	3,708,500.00
Medicine Allowance Benefit	1,056,550.00
Medical Reimbursement	1,750,935.09
Exit Age	709,000.00
Ex Gratia	70,000.00
Total Permanent Disability	50,000.00
<b>TOTAL</b>	<b>P 132,311,935.09</b>

ARDCI MFI together with ARDCI Bank, Incorporated was able to release a total of P11, 092, 500.00 Special Financial Assistance (SFA) allowance before ending the fiscal year for the recovery, rehabilitation, and continuous development of nationwide cooperative beneficiaries in areas primarily affected by calamities categorized as natural and man-made. A comprehensive assessment and validation were employed by ARDCI branch personnel all over Luzon and Visayas to identify totally and partially damaged households prior to the benefit grant.

### SPECIAL FINANCIAL ALLOWANCE (SFA)

Typhoon Quinta and Rolly	10, 855, 000.00
Typhoon Fabian	17,500.00
Typhoon Jolina	130,000.00
Typhoon Odette	7,500.00
Typhoon Dante	2,500.00
Fire Incidents	50,000.00
<b>TOTAL</b>	<b>P11,092,500.00</b>

Simultaneous to the release of SFA was ARDCI Bayanihan, another initiative of ARDCI MFI to offer assistance to Visayan communities ravaged by Typhoon Odette last December. Over 8,000 ARDCI members from Iloilo, Negros, Palawan, and Leyte each received five (5) kilograms of rice as part of the relief operation.



# Unlocking the door to the next phase of the pandemic remains a challenge. But the unparalleled rapid development and deployment of COVID-19 vaccines has defogged the company's vision of a post-pandemic economy.

In 2021, ARDCI became the first and only private institution in Catanduanes accredited by the Department of Health (DOH) to house its own vaccination site after taking on and passing the COVID-19 Vaccination Simulation Exercise on August 19, 2021. This noble endeavor was pursued in support of DOH, Provincial Health Office (PHO), Virac Rural Health Unit (RHU) and the Philippine National Red Cross – Catanduanes Chapter, in the province's fight against the spread of COVID-19.

By the month of September, the management pushed for the vaccination of its staff from the Head Office and company affiliates. The inoculation of frontline workers in the economic sector played a crucial part in ensuring business continuity for the members to solidify the company's commercial performance and expediting its recovery. This initiative was further extended to the rest of ARDCI workforce and their family, and eventually to the patron members.



“ I am doing it for myself, my family, and my community. ”



It was a showcase of excellence when during this year in crisis, ARDCI was one of the few institutions to retain and employ additional personnel. The company closed the year with a total of 868 employees deployed in the head office and branch offices across the nation.

Before 2021 ended, the Organization expressed its intent to participate in one of the projects supported by the Department of Agriculture - Philippine Rural Development Program, which is integrated swine breeding, to form part of ARDCI Microfinance, Incorporated's Business Development Services (BDS). Alongside the conception of this plan is the successful registration and issuance of Certificate

of Incorporation from the Securities and Exchange Commission (SEC) to two new subsidiaries of ARDCI MFI: ARDCI Business and Development Corporation under the name of ARDCI Business and Development Center on December 21, and ARDCI Mart Incorporated on December 22.



## PLOWING ON...

To this day, the required minimum health protocols endorsed by the government like wearing of facemasks, temperature check upon entry to the premises, and hand sanitation, are observed by every staff to minimize the risk of spreading the virus. And soon as the opportunity for office-setting work presented itself, the staff's provisional 15-day shift was reformed to its normal reporting period. This allowed for ARDCI's gradual resumption to its usual business operations. Sustaining this regular scheme has helped the management recover its losses since the COVID-19 outbreak.

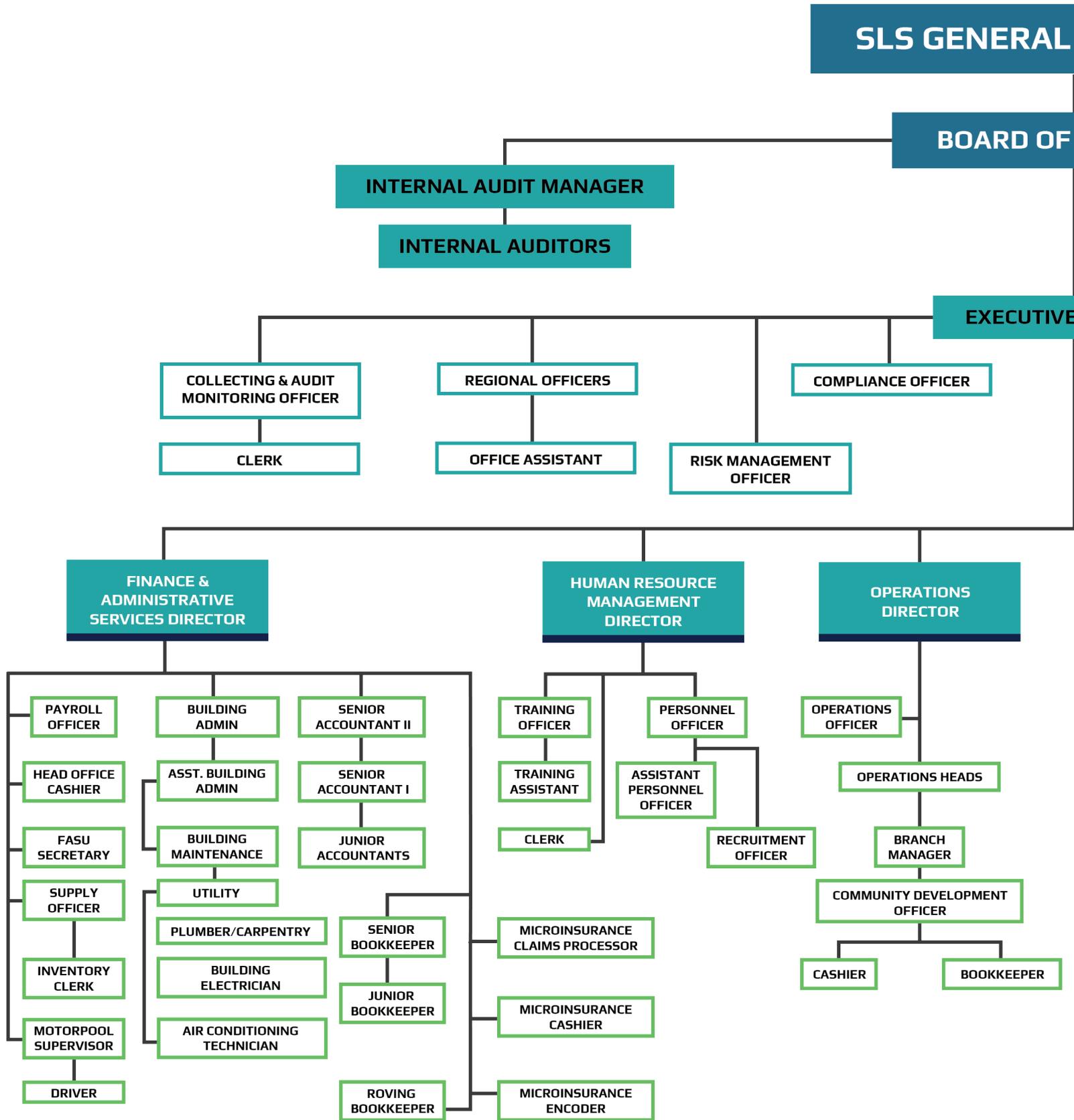
Looking back, one might regard this cycle as a period of convalescence for the organization to renew and rehabilitate what has been lost. It was truly not an easy year, heavy with the signals of change. But with the relentless support from our stakeholders, workforce, and members, ARDCI endured. Each step along the rung is another step closer to the familiar embrace of relief and security. Altogether, we have crested the dawning of this new era, fortified with the wisdom and grit we have mustered to reset, rebuild, and forge ahead.



**“Mapadagos kita.”**  
**[We will carry on.]**

Mr. Victor T. Bernal closes the year with this message of hope, determined to break barriers and turn every challenge into actionable items.

# ORGANIZATIONAL STRUCTURE



# MEMBERSHIP

## TRUSTEES

CORPORATE SECRETARY

## DIRECTOR

EXECUTIVE SECRETARY

PARALEGAL

DATA PROTECTION OFFICER

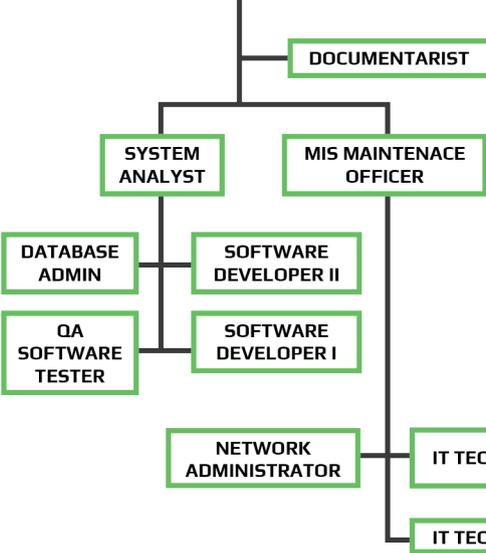
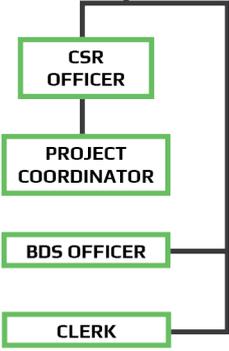
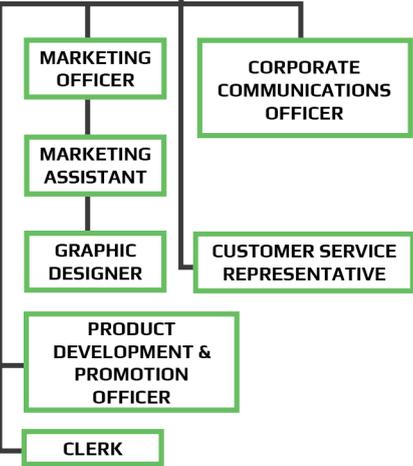
OED SECRETARY

CORPORATE COMMUNICATIONS AND MARKETING DIRECTOR

SOCIAL SERVICES & ENTERPRISE DEVELOPMENT DIRECTOR

MANAGEMENT INFORMATION SYSTEM DIRECTOR

RESEARCH & DEVELOPMENT DIRECTOR



# BOARD OF TRUSTEES



**ROGELIO S. BITOME**  
*Chairman*



**CRISTY S. CORONEJO**  
*Vice-Chairman*



**GINA T. DE SEVILLA**  
*Member*



**REY B. BILON**  
*Member*



**EVA T. PANTALEON**  
*Member*



**ALMA B. AGUINALDO**  
*Member*



**RAPUNZEL T. TAPEL**  
*Member*



**EMERITA S. ZAMBRANO**  
*Member*



**EDNA A. BERMUNDO**  
*Member*

# DIRECTORS PAGE



**VICTOR T. BERNAL**  
*Executive Director*



**ANTONIO T. RODULFO**  
*Director for Operations*



**EVELYN T. TEVES**  
*Director for Finance &  
Administrative Services*



**NESTOR T. TAYOTO**  
*Director for Human Resource &  
Management*



**LYNN MARJORIE T. CAMSON**  
*Director for Research & Development*



**MICHAEL ALEX R. TEVES**  
*Director for Corporate  
Communications & Marketing*



**JAREAH T. PASTORPIDE**  
*Director for Management  
Information System*

## OPERATIONS HEAD PAGE



**NORMIE T. GUALBERTO**  
*Catanduanes*



**JED B. CANO**  
*Albay*



**FREDERICK P. TABUENA**  
*Camarines Sur/ Norte*



**BRYAN B. GONZALES**  
*Quezon & Marinduque*



**JERRY M. TUMALA**  
*Batangas & Laguna*



**JOSEPHINE B. BRONDO**  
*Mindoro*



**NICOMEDES D. OCRAY**  
*Central Luzon*



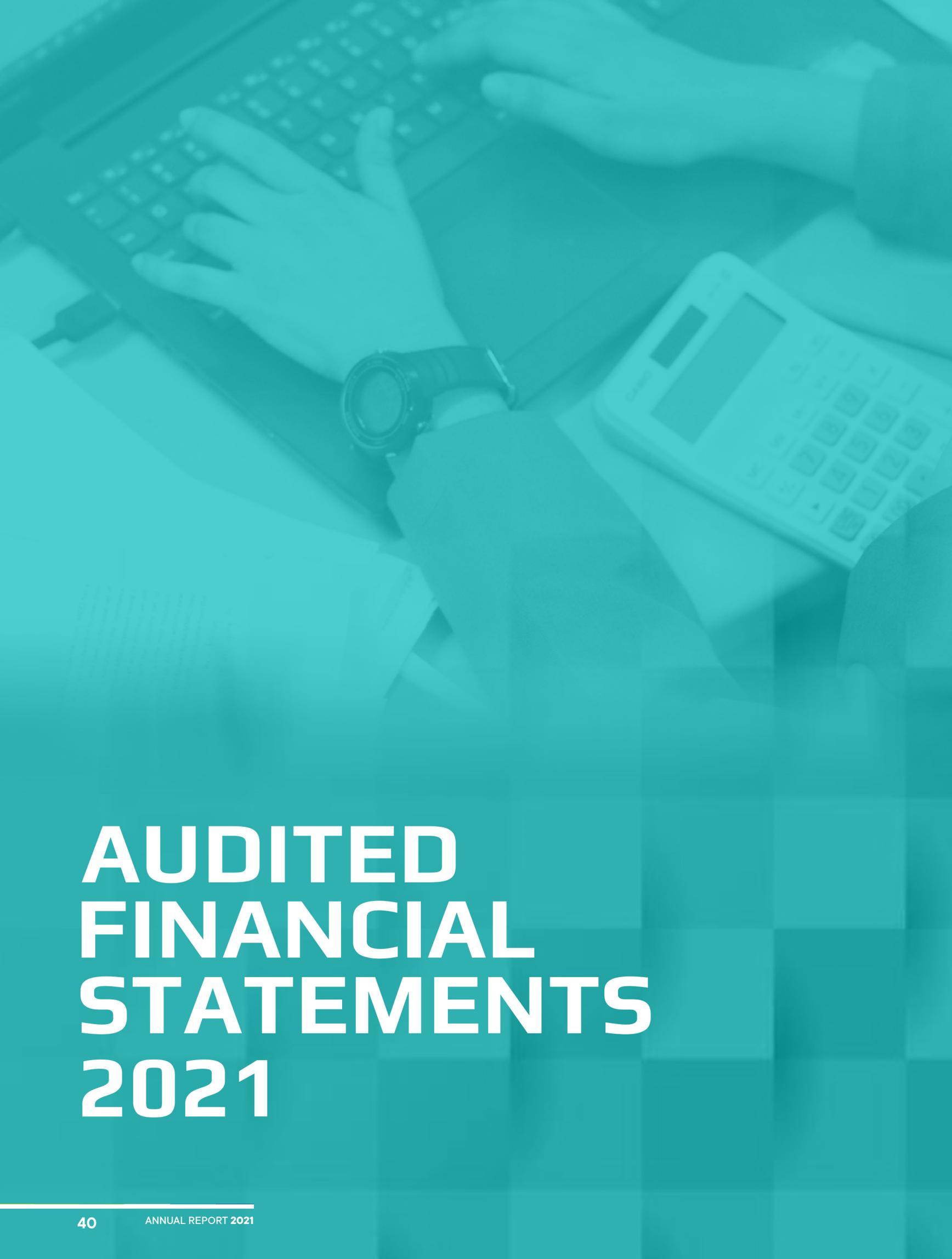
**GENGHIS KHAN R. DELA ROSA**  
*Negros & Iloilo*



**ALEXIS B. ABADA**  
*Samar & Leyte*

# SUBSIDIARIES





# AUDITED FINANCIAL STATEMENTS 2021

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**Subject:** FW: Your BIR AFS eSubmission uploads were received

**From:** [eafs@bir.gov.ph](mailto:eafs@bir.gov.ph) <[eafs@bir.gov.ph](mailto:eafs@bir.gov.ph)>  
**To:** "[jajabagadiong@yahoo.com](mailto:jajabagadiong@yahoo.com)" <[jajabagadiong@yahoo.com](mailto:jajabagadiong@yahoo.com)>  
**Cc:** "[ardci\\_finance@yahoo.com.ph](mailto:ardci_finance@yahoo.com.ph)" <[ardci\\_finance@yahoo.com.ph](mailto:ardci_finance@yahoo.com.ph)>  
**Sent:** Tuesday, May 31, 2022, 9:17:11 PM GMT+8  
**Subject:** Your BIR AFS eSubmission uploads were received

Hi ARDCI MICROFINANCE, INCORPORATED,

**Valid files**

- EAFS402793859RPPTY122021.pdf
- EAFS402793859TCRTY122021-01.pdf
- EAFS402793859AFSTY122021.pdf
- EAFS402793859ITRTY122021.pdf

**Invalid file**

- <None>

Transaction Code: **AFS-0-B5LKHCFB0MQXYVWXWMQYPSZPZ08HL6BLA8**  
Submission Date/Time: **May 31, 2022 09:00 PM**  
Company TIN: **402-793-859**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

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The management of ARDCI Microfinance, Incorporated (the "Organization") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

The Board of Trustees reviews and approves the financial statements, including the schedules attached therein, and submits the same to the members.

Roxas Cruz Tagle and Co., the independent auditor appointed by the members for the years ended December 31, 2021 and 2020, has audited the financial statements of the Organization in accordance with Philippine Standards on Auditing, and in its report to the members, has expressed its opinion on the fairness of presentation upon completion of such audit.

  
\_\_\_\_\_  
**ROGELIO S. BITOME**  
BOT President

  
\_\_\_\_\_  
**VICTOR T. BERNAL**  
Executive Director

  
\_\_\_\_\_  
**EVELYN T. TEVES**  
Finance Director

Signed this 27 day of May, 2022

**ARDCI MICROFINANCE, INCORPORATED**  
*(A Non-stock, Non-profit Organization)*

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**INDEX TO THE AUDITED SEPARATE FINANCIAL STATEMENTS AND  
SUPPLEMENTARY SCHEDULES**  
DECEMBER 31, 2021

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**Financial Statements**

Statement of Management's Responsibility for Separate Financial Statements for the years ended  
December 31, 2021 and 2020

Independent Auditor's Report dated May 27, 2022.

Separate Statements of Financial Position as at December 31, 2021 and 2020

Separate Statements of Comprehensive Income (Loss) for the years  
ended December 31, 2021 and 2020

Separate Statements of Changes in Fund Balance for the years ended December 31, 2021 and 2020

Separate Statements of Cash Flows for the years ended December 31, 2021 and 2020

Notes to the Separate Financial Statements as at and for the years  
ended December 31, 2021 and 2020

**Supplementary Schedules**

NSPO Form-1: Sworn Statement for the Schedules for Non-Stock, Non-Profit Organization

NSPO Form-2: Affidavit of Willingness to be Audited by the Commission

NSPO Form-3: Schedule of Receipts or Income or Sources of Funds Other Than Contributions and  
Donations

NSPO Form-6: Certification of Non-Receipt of Funds from Government Agencies



## INDEPENDENT AUDITOR'S REPORT

The Members and the Board of Trustees  
ARDCI Microfinance, Incorporated  
(A Non-stock, Non-profit Organization)  
ARDCI Corporate Building  
San Roque, Virac, Catanduanes

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

#### *Opinion*

We have audited the separate financial statements of ARDCI Microfinance, Incorporated (the "Organization"), which comprise the separate statements of financial position as at December 31, 2021 and 2020, and the separate statements of comprehensive income (loss), separate statements of changes in fund balance and separate statements of cash flows for the years then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

#### *Basis for Opinion*

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Organization in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the separate financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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



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

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



## ROXAS CRUZ TAGLE AND CO.

- 3 -

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

### Report on the Supplementary Information Required by the Bureau of Internal Revenue (BIR)

Our audit was conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information as disclosed in Note 29 to the separate financial statements is presented for purposes of filing with the BIR and is not a required part of the basic separate financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic separate financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic separate financial statements taken as a whole.

ROXAS CRUZ TAGLE AND CO.



Jarred D. Pereña  
Partner

CPA Certificate No. 0109297

Tax Identification No. 243-146-342

SEC Accreditation No. 109297-SEC, Group A, issued on February 27, 2020,

effective for the audit of 2019 to 2023 financial statements of SEC covered institutions

BIR Accreditation No. 08-001682-015-2019, issued on October 22, 2019,

effective until October 21, 2022

PTR No. 8876905, issued on January 24, 2022, Makati City

May 27, 2022  
Makati City



**ARDCI MICROFINANCE, INCORPORATED**  
(A Non-stock, Non-profit Organization)

**SEPARATE STATEMENTS OF FINANCIAL POSITION**  
DECEMBER 31, 2021 AND 2020

	Note	2021	2020
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	₱474,557,254	₱722,714,043
Loans and other receivables, net	6	1,194,485,226	893,229,973
Short term investments	7	80,332,489	67,705,278
Prepayments and other current assets	8	44,422,890	25,644,004
<b>Total Current Assets</b>		<b>1,793,797,859</b>	<b>1,709,293,298</b>
<b>Noncurrent Assets</b>			
Financial assets at fair value through other comprehensive income (FVOCI)	9	57,044,276	26,635,212
Investment in subsidiaries	10	105,399,800	81,649,800
Long term investments	11	35,000,000	40,307,201
Property and equipment, net	12	342,635,602	281,769,665
Investment property, net	13	60,999,507	64,641,269
Retirement benefit asset, net	23	6,364,226	49,150,749
Refundable deposits	14	107,075	725,350
Deferred tax assets	22	1,667,930	3,404,350
<b>Total Noncurrent Assets</b>		<b>609,218,416</b>	<b>548,283,596</b>
		<b>₱2,403,016,275</b>	<b>₱2,257,576,894</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Members' deposits	15	₱763,105,579	₱676,672,067
Accounts and other payables	16	95,514,510	113,564,475
Deferred income from grants	17	2,546,390	363,770
Loans payable	18	104,583,333	104,156,522
Income tax payable	22	5,667,309	1,271,193
<b>Total Current Liabilities</b>		<b>971,417,121</b>	<b>896,028,027</b>
<b>Noncurrent Liabilities</b>			
Deferred income from grants, net of current portion	17	-	2,546,390
Loans payable, net of current portion	18	42,916,667	-
<b>Total Noncurrent Liabilities</b>		<b>42,916,667</b>	<b>2,546,390</b>
<b>Total Liabilities</b>		<b>1,014,333,788</b>	<b>898,574,417</b>
<b>Fund Balance</b>			
Accumulated income		1,523,375,854	1,492,570,890
Accumulated other comprehensive loss	9,23	(134,693,367)	(133,568,413)
<b>Total Fund Balance</b>		<b>1,388,682,487</b>	<b>1,359,002,477</b>
		<b>₱2,403,016,275</b>	<b>₱2,257,576,894</b>

See Notes to the Separate Financial Statements.



**ARDCI MICROFINANCE, INCORPORATED**  
(A Non-stock, Non-profit Organization)

**SEPARATE STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Notes	2021	2020
Interest income	6	P521,339,725	P456,361,320
Interest expense	15,18	(24,420,800)	(27,340,558)
Net interest income		496,918,925	429,020,762
Reversal of (provision for) impairment losses	6	22,051,993	(108,564,764)
Net interest income after provision for impairment losses		518,970,918	320,455,998
Other operating income	19	43,191,884	38,038,106
Operating expenses	20	(394,082,287)	(315,275,453)
Income from operations		168,080,515	43,218,651
General and administrative expenses	21	(124,777,818)	(96,204,667)
Income (loss) before income tax		43,302,697	(52,986,016)
Benefit from (provision for) income tax	22		
Current		(11,029,653)	(9,700,264)
Deferred		(1,736,420)	1,371,990
		(12,766,073)	(8,328,274)
<b>Net Income (Loss)</b>		<b>30,536,624</b>	<b>(61,314,290)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<b>Item that may subsequently be reclassified to profit or loss</b>			
Net unrealized gain on financial assets at FVOCI	9	284,064	1,722,457
<b>Item that will not be reclassified to profit or loss</b>			
Remeasurement loss on retirement liability	23	(1,409,018)	(36,142,787)
		<b>P29,411,670</b>	<b>(P95,734,620)</b>

See Notes to the Separate Financial Statements.



**ARDCI MICROFINANCE, INCORPORATED**  
(A Non-stock, Non-profit Organization)

**SEPARATE STATEMENTS OF CHANGES IN FUND BALANCE**  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Note	2021	2020
<b>ACCUMULATED INCOME</b>			
At January 1		1,492,570,890	1,553,794,570
Additional revolving fund	26	268,340	90,610
Net income (loss) for the year		30,536,624	(61,314,290)
At December 31		1,523,375,854	1,492,570,890
<b>ACCUMULATED OTHER COMPREHENSIVE LOSS, NET</b>			
<b>Unrealized Gain on Financial Assets at FVOCI</b>			
At January 1		1,635,212	(87,245)
Unrealized gain on financial assets at FVOCI	9	284,064	1,722,457
At December 31		1,919,276	1,635,212
<b>Actuarial Loss on Retirement Liability</b>			
At January 1		(135,203,625)	(99,060,838)
Actuarial loss on retirement liability	23	(1,409,018)	(36,142,787)
At December 31		(136,612,643)	(135,203,625)
		(134,693,367)	(133,568,413)
<b>TOTAL FUND BALANCE</b>		<b>₱1,388,682,487</b>	<b>₱1,359,002,477</b>

*See Notes to the Separate Financial Statements.*



**ARDCI MICROFINANCE, INCORPORATED**  
(A Non-stock, Non-profit Organization)

**SEPARATE STATEMENTS OF CASH FLOWS**  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Notes	2021	2020
<b>Cash flows from operating activities</b>			
Income (loss) before income tax		₱43,302,697	(₱52,986,016)
Adjustments for:			
Retirement expense	23	70,571,401	1,635,413
Depreciation	12, 13, 20, 21	26,419,540	26,351,386
Amortization of deferred income from grants	17, 19	(363,770)	(363,770)
Gain on disposal and insurance settlement of property and equipment	12	(532,299)	-
Interest income from bank deposits	19	(5,472,988)	(5,665,938)
Provision for (reversal of) impairment losses	6	(22,051,993)	108,564,764
Operating income before working capital changes		111,872,588	77,535,839
Decrease (increase) in:			
Loans and other receivables		(279,203,260)	485,527,401
Prepayments and other current assets		(18,778,886)	8,067,502
Refundable deposits		618,275	-
Increase (decrease) in:			
Members' deposits		86,433,512	(91,970,920)
Accounts and other payables		(18,049,965)	30,861,209
Cash generated (used in) from operations		(117,107,736)	510,021,031
Income taxes paid	22	(6,633,537)	(12,441,103)
Interest income received	19	5,472,988	5,665,938
Contributions to retirement fund	23	(29,193,896)	(62,978,187)
Net cash flows provided by (used in) operating activities		(147,462,181)	440,267,679
<b>Cash flows from investing activities</b>			
Proceeds from insurance settlement	12	1,195,000	-
Proceeds from sale of property and equipment	12	719,132	-
Additions to short/long term investments		(7,320,010)	(108,012,479)
Additions to investment in subsidiaries	10	(23,750,000)	(12,500,000)
Additional investment in financial assets at FVOCI	9	(30,125,000)	-
Acquisition of property and equipment	12	(85,025,548)	(44,779,317)
Net cash flows used in investing activities		(144,306,426)	(165,291,796)
<b>Cash flows from financing activities</b>			
Proceeds from loan availments	18	148,046,848	115,713,694
Payment of loans	18	(104,703,370)	(164,876,517)
Additional revolving fund	26	268,340	90,610
Net cash flows provided by (used in) financing activities		43,611,818	(49,072,213)
Net increase (decrease) in cash and cash equivalents		(248,156,789)	225,903,670
Cash and cash equivalents			
At January 1		722,714,043	496,810,373
At December 31	5	₱474,557,254	₱722,714,043
<b>Operational cash flows from interest:</b>			
Interest received		₱537,531,841	₱458,139,045
Interest paid		21,272,254	27,718,078

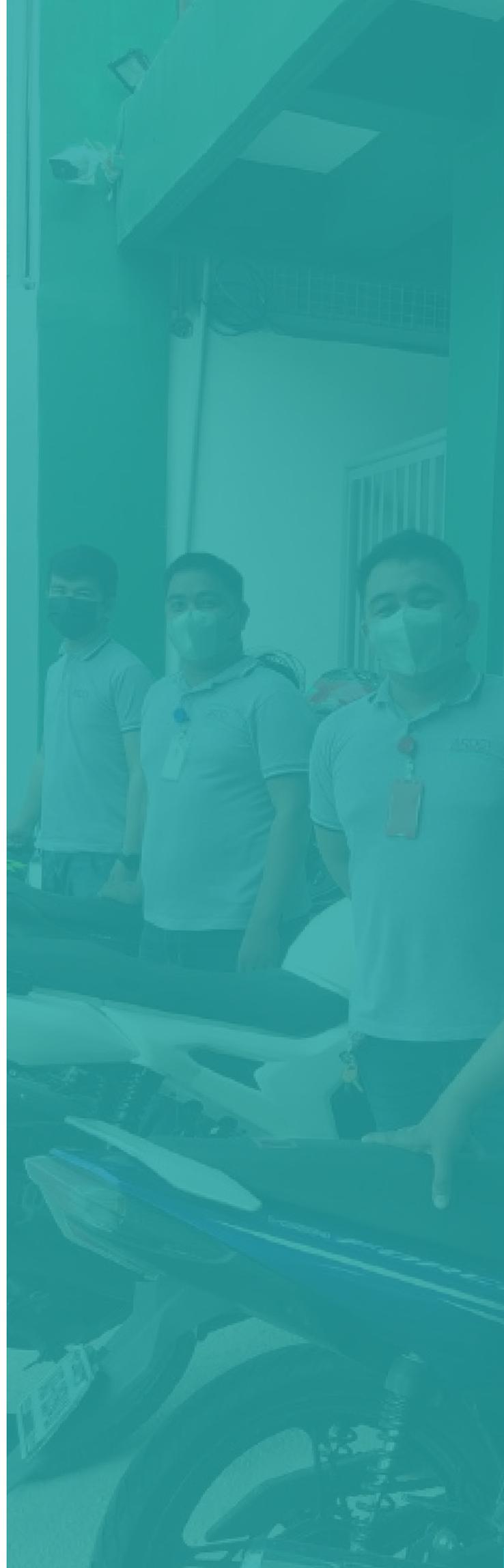
See Notes to the Separate Financial Statements.



# BRANCH ADDRESS

BRANCH	ADDRESS	BRANCH	ADDRESS
<b>CATANDUANES</b>		<b>LEYTE</b>	
Branch 1 – Bato	Libod, Bato	Ormoc	2F Rizal St., Camarote Bldg. Brgy District 21, Ormoc City, Leyte
Branch 2 – Baras	Poblacion, Baras	Tacloban	Room 20, 2F Dynasty Square Bldg. Zamora St., Tacloban City
Branch 3 – Viga	Asuncion, Viga	Carigara	Cor. Jose Abad and Rebolledo St., Brgy. Jugaban, Carigara, Leyte
Branch 4 – Caramoran	LGU Compound, Baybay, Caramoran	Baybay	176 A. Bonifacio St., Baybay City, Leyte
Branch 5 – San Andres	San Roque, San Andres	Hilongos	St. Anthony Sq. R.V., Villaflore St., Brgy Central Hilongos, Leyte
SME Refinancing	2/F ARDCI Corporate Building, Virac, Catanduanes	Maasin	Aquino/Ledesma Bldg. 267 Kangleon St., (Kaluret), Brgy. Tagnipa Maasin City, Southern Leyte
<b>ALBAY</b>		<b>ILOILO</b>	
Tabaco	2/F NMB Bldg. Herrera St. Quinale, Tabaco City	Mia-gao	2F Villaverde Bldg. Igtuba, Miag-ao, Iloilo
Bacacay	Purok 6, Upper Bonga, Bacacay	Pototan	2F RSVP Bldg., F. Parcon Ward, Pototan, Iloilo
Legaspi	Corner Happy Homes Subd. Washington Drive, Legaspi City	<b>NEGROS</b>	
Ligao	DY-OK Commercial Bldg. Rizal St. Guilid, Ligao	Silay	2F Montinola Bldg. Bonifacio St., Brgy IV Silay Negros Occidental
Pio Duran	Brgy. 2, Pio Duran, Albay	La Carlota	Gurrea St., Brgy 3 La Carlota City, Negros Occidental
Polangui	Samar Bldg. Gabon, Polangui	Cadiz	Block 5 Panique Bldg. Gustilo Blvd. Zone 2, Cadiz City, Negros Occidental
Tiwi	Basag St., Tigbi, Tiwi	Hinigaran	Room 3 BGA Space Rental, Jacinto St., Brgy 4, Hinigaran, Negros Occidental
<b>SORSOGON</b>		San Carlos	Broce St., Azcona Corner Brgy. San Carlos City, Negros Occidental
Sorsogon	2890 Burgos St. Burabod, Sorsogon City	Dumaguete	3rd Flr. Rm 6 & 7 Leqtak Bld. Santa Catalina & San Jose St., Pob. 6 Dumaguete City, Negros Oriental
Irosin	Valderama Bldg. San Julian, Irosin, Sorsogon	<b>BULACAN</b>	
Casiguran	Escudero St. Central Casiguran, Sorsogon	San Miguel	Central Town Bldg. Victor St. Poblacion San Miguel Bulacan
Pilar-Sorsogon	Purok Heights, Infront of Holy Family Academy, Putiao, Pilar, Sorsogon	<b>PAMPANGA</b>	
Bulan	Caide Bldg., Gullaba St., Zone 3, Bulan, Sorsogon	Apalit	McArthur Highway, San Vicente, Apalit Pampanga
<b>CAMARINES SUR</b>		Mexico	SIRC Buildings, Doña Isabel Building 3, Jose Abad Santos Avenue, Lagundi, Mexico, Pampanga
Iriga	Quiller Bldg. San Nicolas, Iriga City	<b>BATAAN</b>	
Goa	Rivero Bldg. San Jose St. Goa, Camarines Sur	Pilar	Panilao Shopping Arcade, Pilar Bataan
Naga	Stall # 120 Ramaida Centrum Bldg. E. Angeles St. Naga	Dinalupihan	2F Unit 9 and 10 KND Bldg. San Ramon, Dinalupihan Bataan
Sipocot	Serrano Bldg., Impig, Sipocot, Camarines Sur	<b>PANGASINAN</b>	
Ragay	Poblacion Ilaod, Ragay, Camarines Sur	Alaminos	2nd Floor Monte Fer Bldg. Quezon Ave., Poblacion Alaminos City, Pangasinan
Pili	2F New Society Bldg, National Road, San Isidro Pili, Cam Sur	<b>MINDORO</b>	
Calabanga	034 San Isidro, Calabanga, Camarines Sur	Calapan	Elbo St., San Vicente West, Calapan City, Oriental Mindoro
Caramoan	Real St., Brgy. Tawog, Caramoan, Camarines Sur	Pinamalayan	Baldos St., Barangay Marfrancisco, Pinamalayan, Oriental Mindoro
<b>CAMARINES NORTE</b>		Bongabong	2F Big Ben Bldg. Poblacion Bongabong, Oriental Mindoro
Daet	R. Dorado Bldg. Lag-on, Pandan Highway, Daet, Cam Norte	Roxas	2nd F MACS Bldg. Sitio Sta. Fe Bagumbayan, Roxas, Oriental Mindoro
Labo	LTS Building, Maharlika Hi - Way, Bo. Malaga, Labo, Cam Norte	Victoria	Nautical High Way, Poblacion 1, Victoria Oriental Mindoro
Capalonga	404 Mabini St. Capalonga, Camarines Norte	San Jose	Solid Building, Bonifacio St., Brgy. 3, San Jose, Occidental Mindoro
<b>MASBATE</b>		Mamburao	MTM Bldg. Capitol Road, Barangay 9, Mamburao Occidental Mindoro
Masbate	Ibañez St., Corner Medina St., Brgy. Kalipay, Masbate City	Sablayan	Cor. Salgado, Dangerous St., Buenavista, Sablayan, Occidental Mindoro
Aroroy	Dra. Colambot Apartment Unit 7, Baga-uma, Aroroy, Masbate	<b>SAMAR</b>	
Cataingan	2nd Flr., SKYGO Marketing, Brgy. Poblacion Crossing, Cataingan, Masbate	Allen	EWP Bldg.2, Maharlika Highway, Kinabranan 2, Allen, Northern Samar
<b>SAMAR</b>		Calbayog	2F, VIRSCO Bldg. Rosales Blvd. Brgy. Central, Calbayog City, Western Samar
Allen	EWP Bldg.2, Maharlika Highway, Kinabranan 2, Allen, Northern Samar	Catbalogan	Sampaguita St., Brgy San Pablo Catbalogan City, Western Samar
Calbayog	2F, VIRSCO Bldg. Rosales Blvd. Brgy. Central, Calbayog City, Western Samar	Borongan	Baybay 5 Songco, Borongan City, Eastern Samar
Catbalogan	Sampaguita St., Brgy San Pablo Catbalogan City, Western Samar	Catarman	Garcia St., Brgy. Lapu-Lapu, Catarman, Northern Samar
Borongan	Baybay 5 Songco, Borongan City, Eastern Samar		
Catarman	Garcia St., Brgy. Lapu-Lapu, Catarman, Northern Samar		

BRANCH	ADDRESS
<b>MARINDUQUE</b>	
Sta. Cruz Boac	CM Building, Dewey St., Maharlika, Sta. Cruz, Marinduque 1st Floor Gov. Damian Reyes St. Murallon, Boac, Marinduque
<b>PALAWAN</b>	
Puerto Princesa Narra	Room 209 ERC Plaza, National San Pedro, Puerto Princesa City Malvar St., Cor. Sampaloc Road, Brgy. Poblacion, Narra, Palawan
<b>QUEZON PROVINCE</b>	
Gumaca Lopez Tagkawayan Lucena Candelaria Atimonan Mulanay Lucban Quezon	22 Tomas Tañada St., Rizal, Gumaca, Quezon Maharlika Highway, Magsaysay Lopez, Quezon Brgy. Aldavoc, Tagkawayan, Quezon Dalahican Road, Red - V, Ibabang Dupay, Lucena City EPC Bldg. Masim Norte, Candelaria, Quezon Iskong Bantay St., Brgy. Zone 1 Poblacion, Atimonan, Quezon Equalidad St., Brgy. Poblacion 2, Mulanay, Quezon 013-A Rizal Avenue St., Brgy 7 Lucban Quezon Magsaysay St., Poblacion. 1 Quezon, Quezon
<b>CAVITE</b>	
Silang Dasmariñas	267 J.P. Rizal St., Poblacion V, Silang, Cavite 2F LVD Bldg, 121 Don P. Campos Ave. Zone 4 Brgy. Poblacion, Dasmariñas Cavite
<b>BATANGAS</b>	
Rosario Tanauan	JCLC Bldg., Gualberto St., Brgy. D Poblacion, Rosario, Batangas #50J.M.Corona St. Mt. View Subd.,Brgy. Poblacion 3,Tanauan, Batangas
Lemery	Mayuga Bldg. Iqualidad St. District 4, Poblacion, Lemery, Batangas
Balayan Batangas City	125 Marajas Bldg., Calalang St., Brgy. 4, Balayan, Batangas D-5 National Highway, Barangay Kumintang Ilaya, Batangas City
<b>LAGUNA</b>	
Sta. Cruz Liliw Calamba	2nd Floor ASL Bldg. Guevarra St. Pob. III Sta. Cruz, Laguna Rizal St. Brgy. Rizal, Liliw, Laguna Abaca's Commercial Bldg., Nat'l Highway Brgy. Halang, Calamba City
<b>TARLAC</b>	
Capas Moncada	Tapco Building, Sto. Domingo - 2 Capas, Tarlac 194 Brgy. Mabini, Moncada, Tarlac
<b>ZAMBALES</b>	
Castillejos Iba Sta. Cruz San Felipe	GR, Umipig Building, #98 National Hi - Way, San Juan, Castillejos, Zambales AAA, Zone 5, Iba, Zambales 45PM Bldg. Poblacion North, Sta. Cruz, Zambales Sauber Bldg. National Hi-way, Corner Pastor St. San Felipe, Zambales



# ARDCI

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## MICROFINANCE

Formerly: ARDCI NGO Group, Incorporated  
SEC Registration No. II998-00277

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### SUBSIDIARIES

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### AFFILIATE

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: 0917-807-3463  
: ARDCI Corporate Building,  
San Roque, Virac, Catanduanes  
: [www.ardci.org.ph](http://www.ardci.org.ph)  
: [www.facebook.com/ardcimfi](https://www.facebook.com/ardcimfi)