

Philippine Retirement Authority

ANNUAL REPORT 2015



Our Vision

Philippine Retirement Authority as the catalyst in strengthening the Philippine's retirement industry, envisions to enhance the status of the country as an internationally-recognized and significant retirement destination in South East Asia by 2020.

Our Mission

To develop PRA's capabilities and to enable and empower all segments of the government and private sectors relevant to the Philippine retirement migration agenda.

The PRA Core Values

In pursuit of the PRA's Mission and Vision, we bind ourselves to develop and shape our actions in accordance with the following core values:

Service Excellence

We push ourselves to provide high quality services at all times, getting better at every chance, in order to meet international standards and realize our ideals for excellence.

Innovation

We continuously explore new and dynamic ways to improve our work, utilizing our imagination and creativity in making things happen to produce results that matter.

Teamwork

We believe in working as One Team for the achievement of the PRA Mission and Vision, each of us contributing our abilities and talents as we perform our share of corporate challenge.

Integrity

We uphold honesty and financial accountability in all aspects of our work, always maintaining our moral integrity and our dignity as respectable public servants.

Discipline

We continuously act in accordance with rules of conduct, regulations and authority.

Good Governance

We hold ourselves accountable and transparent in all actions, responsive to the needs of our nation and the society as a whole, deliver services that meet the needs of our stakeholders while making the best use of our resources, and follow the rule of the law.

Social Responsibility

It is our obligation to act for the benefit of our stakeholders, our environment and for the Philippines our Motherland.

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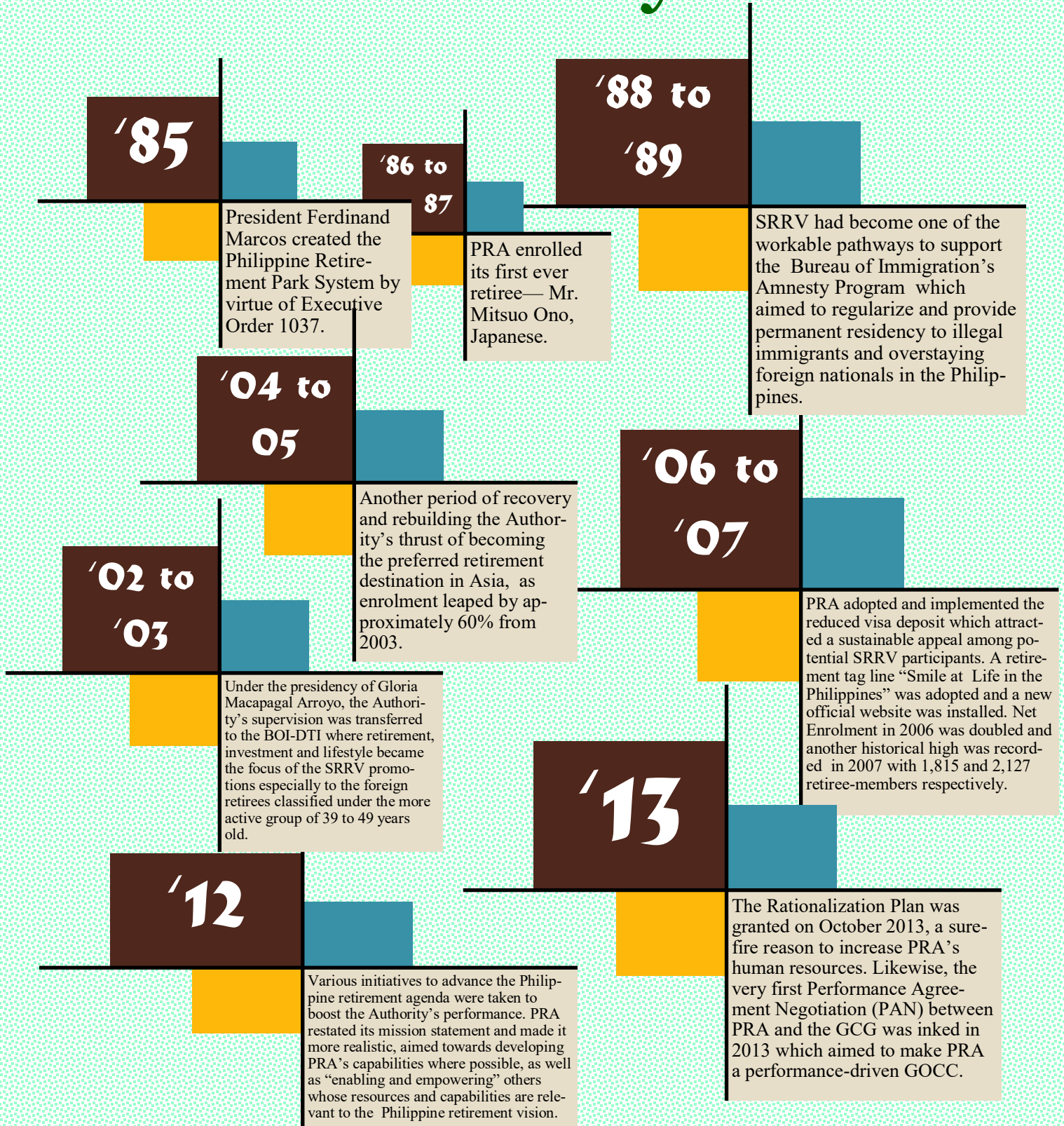
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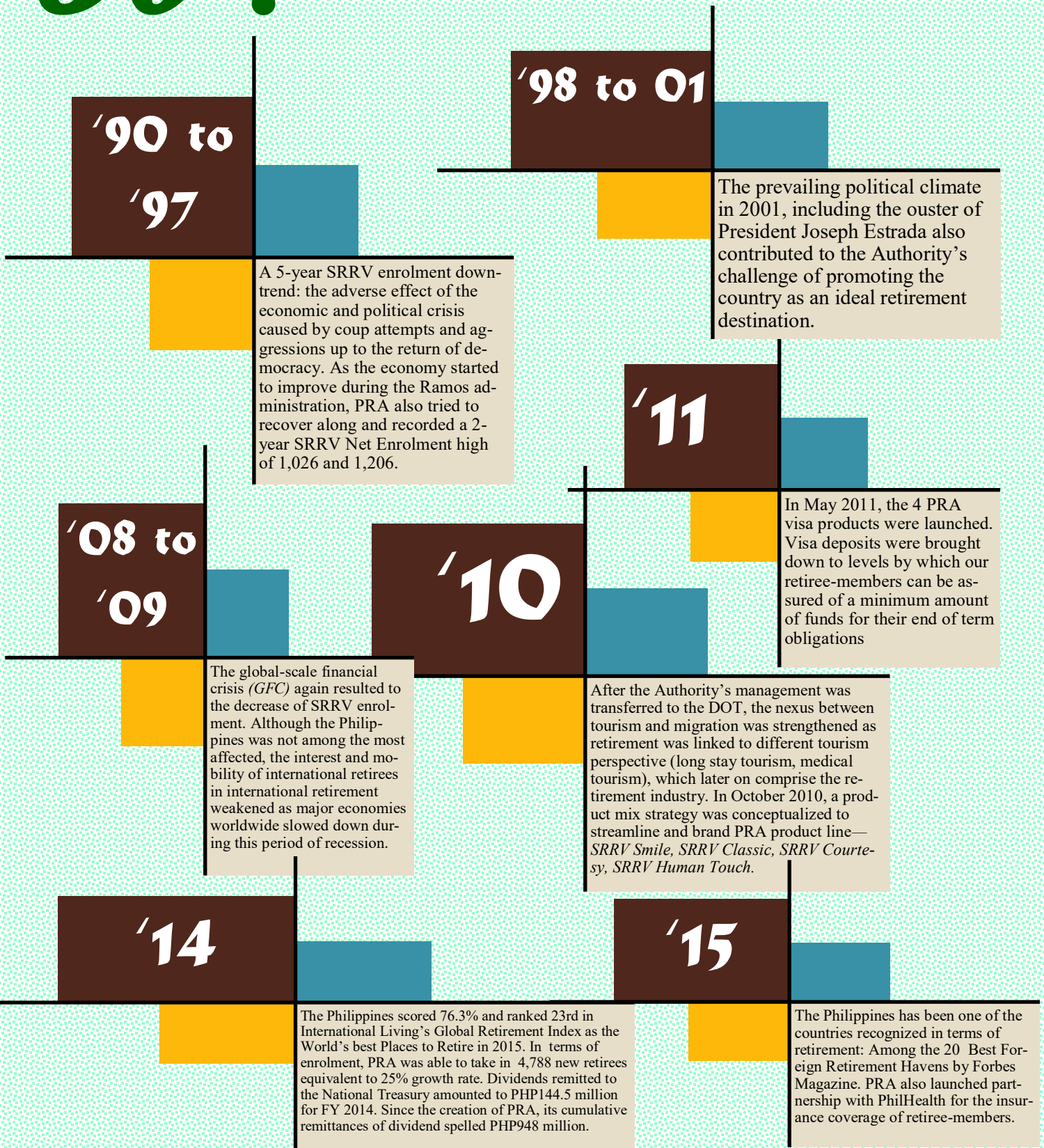
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PRA's Journey towards



30!



Message from the General Manager/ CEO



Dear Fellow Stakeholders:

This year, we celebrate 30 years of PRA's pursuit for excellent service. We are proud to display our flag in this milestone year to depict a hard-fought battle. The journey towards 30 seemed like crossing a rough and stormy sea for a small organization like the PRA. We only have our devoted and hardworking people as our heroes, our stakeholders our strong alliance, and our mandate our armor of defense. Thirty years has brought us a three-fold measure of success: the Philippines a significant destination, PRA a trusted agency, and the Special Resident Retiree's Visa (*SRRV*) an exceptional product in the field of global retirement.

Setting Direction

Few months after my assumption in 2015, we started to outline our long-term direction. We have coined a new Vision Statement that is SMARTER (*specific, measurable, actionable, realistic, time-bound, evaluated and rewarding*). This will pave a clearer path for PRA to walk through as we are bound to deliver long-term breakthrough results as a Government-Owned-and Controlled Corporation (*GOCC*) by 2020.

Hence, we put our short-term targets on a higher ground and made it more challenging so that the rewards in the long-run will be much more fulfilling.

2015 by the Numbers

By the 30th year, PRA has already taken-off. Trajectories of financial accomplishment and the SRRV enrolment show yearly progress. This has been made transparent to every stakeholder:

- PRA ended 2015 with Total Assets of PHP 9.35 Million compared to PHP6.85 million the previous year, which is remarkable. It increased by **36.52%**;
- PRA also recorded a growth rate of **31.29%** in Net Income;
- The upward trajectory of Revenues from Operations and the Net Income Before Tax (*inclusive of Interest income earned*) is a reflection of how PRA maximized its resources to support the strategic directions of the Authority. It improved the 2014's PHP383 million to PHP507 million in 2015 with a growth rate of **32%**;

- Our 2015 dividend remittance to the national treasury reached **31%** increase from the previous year, which was the highest figure ever achieved (*PHP 45 million to PHP190 million*);
- In terms of SRRV metrics, PRA enrolled 5,030 new SRRV holders in 2015;
- Net enrollment reached 4,155 retirees.
- The amount of foreign currency generated also increased. From 1987 to December 2015, PRA had accumulated an amount of **\$488,372,500** from visa deposits, which also benefits Philippine accredited banks.

The Philippines also graced different global retirement indices released/ issued in 2015, making us one of the internationally-recognized retirement destinations:

- **7th Place**— The 21 Best Places to Retire Overseas 2014 (*Live, Invest & Retire, Overseas Index*)
- **8th Place**—Top Expat Destination 2014 (*InterNations Survey by Expats Insider*)
- One of the **Top 20**— 2014 Top 20 Best Places to Retire in the World
- **23rd Place**—World’s Best Places to Retire 2014 (*International Living, Annual Global Retirement Index*)

Sustaining Growth

We have obtained our momentum few years ago. We will strive harder because challenges and uncertainties are inevitable and competitors are getting more aggressive in the retirement industry. We should keep our speedometer moving.

While the abovementioned upward trend and global recognitions seemed overwhelming, they still need to be supplemented with more creative projects and activities, and more people with enriched competencies to infuse new ideas to the program. We should strive to make our programs and projects more organic and responsive as possible as we try to have our services tailored to the needs of our retiree-members.

PRA has institutionalized and enhanced some of these post-membership programs in 2015 and will continue to improve our offerings:

- PRA’s partnership with PhilHealth to ensure health insurance coverage of our retirees especially for those who find difficulty in transporting Medicare from their country.
- Coordination with MIAA to allow PRA retirees to use the VIP lounge to provide convenience whenever they go in and out of the country,
- Enlistment through our Accreditation Program of different merchants to make an array of services available to our retirees at a discounted price or with special features and privileges.

Growth opportunities in tourism need to be pursued as well. PRA can maximize its linkage with the Department of Tourism (*DOT*), its mother agency in a win-win relationship. The Long-stay Program of the DOT can be a potential and effective transition phase for a foreign tourist especially those about-to-retire to become a resident retiree in the Philippines, in the same way that PRA can help DOT in implementing the program.

Foreign tourists usually come here during winter. If they are those about-to-retire tourists, they may find the Philippines more suitable for retirement as they may want to avoid common ailments of the elderly caused by the cold season. They can enjoy a happy retirement life playing golf, beach-hopping or visiting other attractions in our country.

Likewise, as we empower other retirement related sectors, PRA can benchmark with “Minshuku”, a successful tourism concept in Japan, which is their version of Bed and Breakfast (*BnB*). This can also be made successful in the Philippines if we strengthen our accreditation program and work with the Tourism Infrastructure and Enterprise Zone Authority (*TIEZA*). There are BnBs in Tagaytay and other cool places in the Philippines with natural wonders to experience. We need to encourage establishment of more of these tourist-friendly amenities.

In Appreciation

We sincerely thank our PRA stakeholders, our retirees for their loyalty and cooperation and our partners in the government and the private sector for their continued support during the past 30 years. May you all stay with us and grow with us in the next 30 years.

PRA owes much of its performance over the past year to the continued guidance and leadership of the PRA Board of Trustees, to the dedication and perseverance of the PRA Senior Management, and to the unwavering commitment of the officers and staff.

As PRA moves forward in the direction of growth, let us all strengthen our ties and make the Philippines the leading retirement haven in the ASEAN region..

Thank you very much.


VALENTINO L. CABANSAG
 General Manager/ CEO

Organizational Overview and External Environment



Our Job: Stewards of the EO 1037

Executive Order 1037, the breath that gave life to the Philippine Retirement Authority, and backed by the aspiration of uplifting the economic condition of the country, called us to be prudent stewards to make the retirement of foreign retirees in the Philippines sustainable until the next generation.

As bestowed by our charter, “*PRA is mandated to promote and develop the Philippines as a retirement haven as a means of accelerating the social and economic development of the country, strengthening its foreign exchange position at the same time providing further best quality of life to targeted retirees in a most attractive package*”.

For PRA, that same mandate goes beyond accomplishing the task and perfecting it in numbers. We equate retirement with “happiness”. With this, our core product, the Special Resident Retiree’s Visa (SRRV), is not just a retirement visa in itself. It is a “happiness” visa. After all, happiness is akin to satisfaction. The ultimate satisfaction of our retirees is enjoying a worry-free, hassle-free and healthy senior years in their second home. PRA understands it, that is why we will always be at the doorstep to provide

them the ticket to a happy retirement.

Challenging is the best word to describe PRA’s mandate. Ensuring satisfaction is not an easy job as retirees’ needs, demands and preferences vary and evolve over time. There should also be variety, improvements and state-of-the-art retirement-related services and facilities locally available. Other countries may be more globally competitive than the Philippines in terms of infrastructure, security, benefits and health care and others. But our country has gained



There is nothing more delightful than seeing them happily retiring in the Philippines!

good reputation in terms of hospitality, lower cost of living, and its innate beauty.

In PRA, we highlight our competitive advantages through promotion and advertising and work on improving the other items on a retiree’s checklist by coordinating with other government and private stakeholders. In

the Philippines, PRA became the symbol of the retirement industry, steered to where it has landed in some internationally-recognized retirement indices. That is what PRA can do at the very least because in real sense, it takes a nation to truly promote and develop the country as a retirement haven.

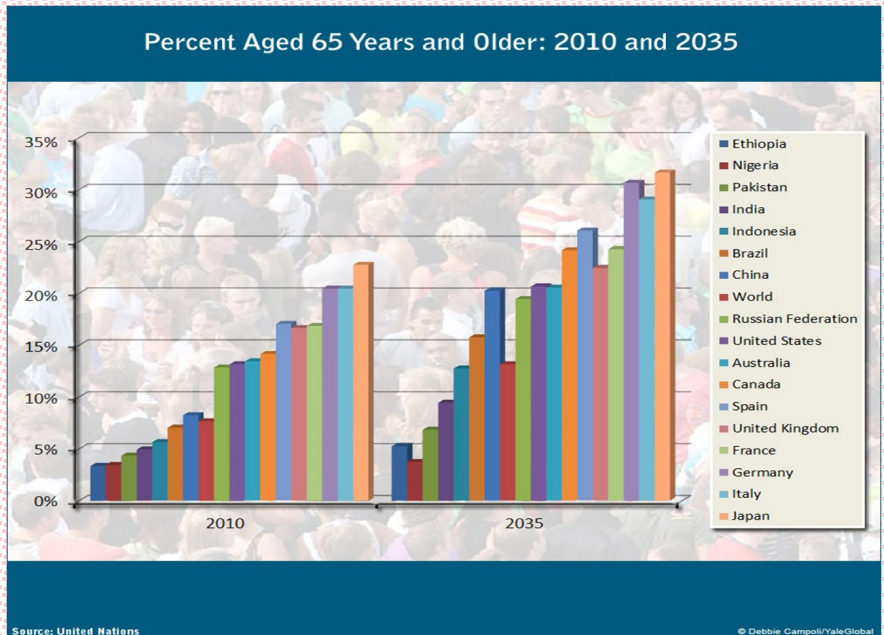
Our Market and the World’s Situation

Population ageing—the term used by the UN referring to the increasing share of older persons in the population. Generally, PRA’s potential market is from this population group. The UN refers the population ageing as those aged 60 and above. Others correlate retirement to those aged 65. Some say that 55 is the new 65, especially for baby boomers or those born from 1946 to 1964. For PRA, they are welcome to join the retirement program. PRA has even expanded the cover-

age of those eligible to experience retirement in the Philippines. The SRRV can be availed of even by foreign retirees and former Filipinos who retire at an early age of 35 years old at the minimum. It has also been expanded to include retired ambassadors and other members of the diplomatic corps, retirees of United Nations, World Bank & International Monetary Fund, including Honorary Consuls who have served in the Philippine diplomatic posts,

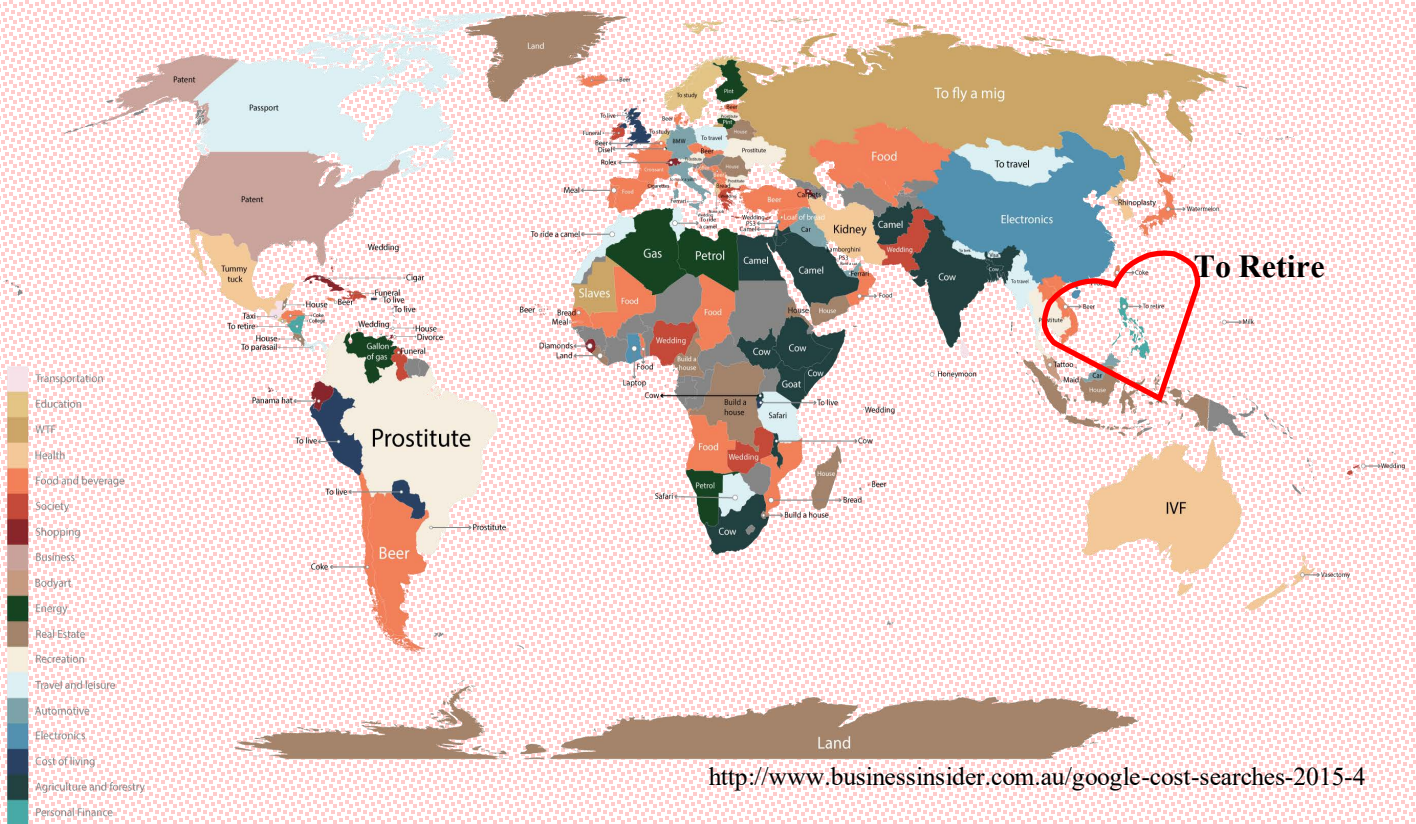
recipients of Nobel Prize, Ramon Mag-saysay and other prestigious awards, scientists, physicists & top-rated engineers.

From the recent report entitled “World Population Ageing 2015” released by the United Nations Department of Economic and Social Affairs (UNDESA), demographic trends show the world’s population is indeed ageing as almost every country experiences an increase in the share of the older persons in their population. Also according to data from World Population Prospects: the 2015 Revision (United Nations, 2015), the number of older persons has increased substantially in recent years in most countries and regions and is projected to accelerate in the coming decades. Let’s add to this the declining fertility and increasing longevity where older persons is projected to outnumber the children and adolescents globally from 2030 to 2050.



On a positive note, the above demographic shifts could mean a widespread awareness on reducing child mortality, improving access to education and employment opportunities, advancing gender equality, and promoting reproductive health and family planning, advancements in public health and medical technologies, and improvements in living conditions. We will have people living longer healthier lives than ever before, particularly at advanced ages.

On the other hand, these demographic trends had posed issues on ensuring social protection for older persons and the sustainability of pension systems, since older persons are expected to live longer and they may have fewer adult children to support them financially as they age. Thus, pension payments to retirees in developed countries have become unsustainable. \$1,000 to \$1,500 worth of monthly pension is insufficient to live in these countries that is why they opt for alternative and



"The most googled product for the Philippines in one crazy map is "TO RETIRE"

affordable retirement places to migrate where they can comfortably live on their pensions.

Retirement checklist and criteria for the migrating population are readily accessible on the web. The Global Age

Watch, the International Living, The World Health Organization, InterNations Survey and even Forbes Magazine have their own versions of retirement indices to help retirees around the globe decide on places to spend the rest of their years. Fortunately, the most googled product for the Philippines in one crazy map is "TO RETIRE" as posted by Business Insider.

Our Regulatory Environment

PRA is a GOCC covered by Republic Act 10149 or the GOCC Governance Act of 2011, the mandate of the Governance Commission for GOCCs (**GCG**). The GCG is the government's central advisory and oversight body for the public corporate sector like the PRA in areas which include but are not limited to:

1. Classification of GOCCs;
2. Adoption and constitution of an Ownership and Operations Manual (Manual of Corporate Governance);
3. Establishment of the performance evaluation systems including performance scorecards ;
4. Evaluation of the performance and determination of the relevance of GOCCs, to ascertain whether any of them should be reorganized, merged, streamlined, abolished or privatized;
5. Conduct of periodic study, examination, evaluation and assessment of the performance of the GOCCs;
6. Coordinating and monitoring of the operations of GOCCs, ensuring alignment and consistency with the national development policies and programs;
7. Review of the functions of each of the GOCCs; and
8. Provision of technical advice and assistance to the government agencies to which the GOCCs are attached.

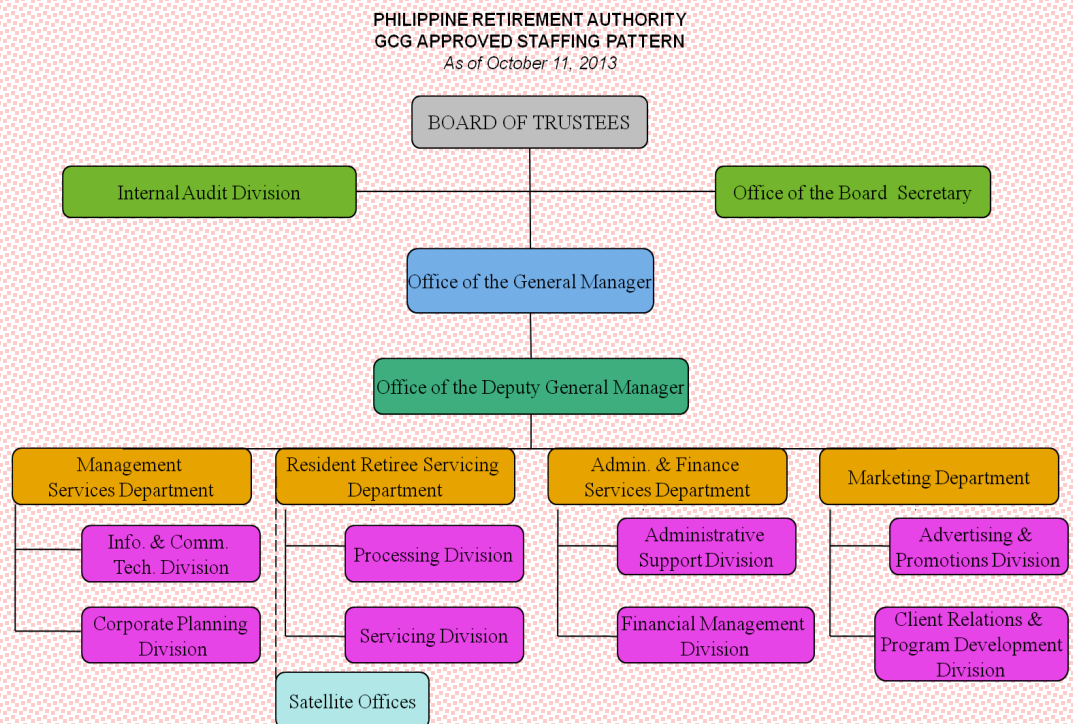
In terms of SRRV issuance, PRA abides by the regulation of the Bureau of Immigration (**BI**) being the approving authority of the SRRV.

Our Organization and its People

PRA Organizational Chart

The organizational structure is based on the 2013 Approved Rationalization Plan (*RatPlan*).

Aside from the filled plantilla positions of the Rat-Plan, PRA also contracts the services of Job Order personnel. As of December 2015, PRA has a total manpower complement of 99 employees, composed of 65 regular and 34 job order/ contractual.



The PRA Board of Trustees (CY 2015)



RAMON R. JIMENEZ, JR.

Chairman, PRA Board

Academic and Professional Qualifications

- Bachelor of Fine Arts, Major in Visual Communication, University of the Philippines– Diliman

Employment Highlights at the Department of Tourism

- Secretary, Department of Tourism (2011– Present)



VALENTINO L. CABANSAG

Vice Chairman, PRA Board

Academic and Professional Qualifications

- Bachelor's Degree in Far East Studies, Sophia University, Tokyo, Japan

Employment Highlights at the Philippine Retirement Authority

- General Manager and CEO (June 8, 2015 to Present)



VEREDIGNO P. ATIENZA

Vice Chairman, PRA Board

Academic and Professional Qualifications

- Doctor of Business Administration, University of the Philippines
- BS Management Engineering, Ateneo de Manila University

Employment Highlights at the Philippine Retirement Authority

- General Manager and CEO (September 20, 2010 to June 5, 2015)





AMANDO M. TETANGCO, JR.

Member, PRA Board

Academic and Professional Qualifications

- MA in Public Policy and Administration (concentration in Development Economics), University of Wisconsin in Madison, USA
- Post Graduate Course, Ateneo De Manila University
- AB Economics, Ateneo De Manila University

Employment Highlights at the Bangko Sentral ng Pilipinas

- Governor (July 2005 to Present)



SIEGFRED B. MISON

Member, PRA Board

Academic and Professional Qualifications

- LL.M., University of Southern California School of Law, LA, CA, USA
- Juris Doctor, Ateneo Law School, Makati City,
- BS USMA (Human Resources Management) West Point, New York, USA

Employment Highlights at the Bureau of Immigration

- Associate Commissioner (2011 to 2013)
- OIC, Office of the Commissioner (July 2013 to Dec. 2013)
- Commissioner (Dec. 2013 to Present)



EUGENE T. KAW

Representative, PRA Board

Academic and Professional Qualifications

- Juris Doctor, Ateneo De Manila University School of Law
- BA Major in Philosophy, Ateneo De Manila University School of Arts and Sciences

Employment Highlights at the Department of Tourism

- Chief of Staff, Office of the Secretary, (Oct. 2011– Present)



VICENTE S. AQUINO



Representative/ Alternate Member, PRA Board

Academic and Professional Qualifications

- Bachelor of Laws, Manuel L. Quezon University
- BS Journalism, Lyceum of the Philippines

Employment Highlights at the Bangko Sentral ng Pilipinas

- Deputy Governor, (May 2013 to Present)
- Assistant Governor, Security Plant Complex (Jan 2013 to May 2013)
- Executive Director, Anti-Money Laundering Council Secretariat (Jan. 2001 to Jan. 2013)



ESTANISLAO R. CANTA



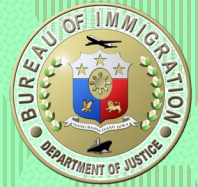
Representative/ Alternate Member, PRA Board

Academic and Professional Qualifications

- Bachelor of Laws (1985), University of the Philippines– Diliman
- BS Foreign Service, University of the Philippines– Diliman

Employment Highlights at the Bureau of Immigration

- Acting Chief, Board of Special Inquiry, (October 2011 to Present)
- OIC, Immigration Extension Office(1999 to 2011)
- Acting Chief– Alien Social Integration Office (1995-1998)



The PRA Senior Management (CY 2015)



VALENTINO L. CABANSAG

General Manager/ CEO
(June 8, 2015 to Present)

Responsibilities:

- Oversee, direct and control the overall operations and internal administration of the Authority;
- Direct the enforcement and implementation of orders, policies and directives laid down by the Board; and
- Set the appropriate measures of performance of PRA pertinent to corporate goals and objectives.



VEREDIGNO P. ATIENZA

General Manager
(2010 to June 5, 2015)



REYNALDO DL. LINGAT

Deputy General Manager
(Until April 2015)

Responsibilities:

For and in behalf of the General Manager, oversee, direct and control the planning, implementation, evaluation and overall administration of the programs and operations of the PRA.



IRMA S. LAPPAY

Officer-in-Charge, Management Services Department (MSD)

Responsibilities

- Undertake the development of the Authority's plans and programs encompassing the conceptualization, and implementation of relevant policies and procedures including the preparation of corporate operating budget supportive to and consistent with the Authority's mission and vision; and
- Provide a well-maintained network with an uninterrupted data processing system related to information technology, hardware and software abreast with the latest technology that is globally competitive and responsive to the ICT needs of the Authority

Divisions Supervised:

- Corporate Planning Division
- Information and Communications Technology Division



ORLANDO H. HABITAN

Department Manager of the Resident Retiree Servicing Department (RRSD)

Responsibilities

Plan, direct, organize and control the activities of the department to ensure the effective and efficient delivery of services to resident retirees.

Divisions Supervised:

- Processing Division
- Servicing Division



PHILIP JOHN B. MORENO

Department Manager, Administrative and Finance Services Department (AFSD)

Responsibilities

- Manage the financial resources of PRA through the provision of accounting and budgetary services; and
- Support all organizational units through provisions of human and physical requirements.

Divisions Supervised:

- Financial Management Division
- Administrative Support Division



NOEHL D. BAUTISTA

Department Manager, Marketing Department (MD)

Responsibilities

Plan, organize, direct and control the operations of Marketing Department in accordance with the objectives established by the higher management.

Divisions Supervised:

- Advertising and Promotions Division
- Client Relations and Program Development Division

The PRA Organizational Structure (As of December 31, 2015)



INTERNAL AUDIT DIVISION

Responsible in strengthening the internal control system in the Authority and shall undertake activities designed to ensure that management achieve efficiency of operations, reliability of financial reports and compliance with applicable laws, regulations and internal policies.



OFFICE OF THE BOARD SECRETARY

- Oversee the planning, preparations, dissemination of agenda and minutes of the Authority's Board meetings;
- Prepare proposals for consideration of the Board, as the need arises;
- Record the proceedings of the Board meetings;
- Inform and/or coordinate with the Board members any activities which may require approval and/or attendance;
- Prepare Secretary's Certificate for all Resolutions approved by the Board and authorize the release thereof upon instruction by the General Manager;
- Act as a record custodian of all documents pertaining to the Authority's Board of Trustees; and
- Perform other functions that may be required by the General Manager and/or by the Board members.



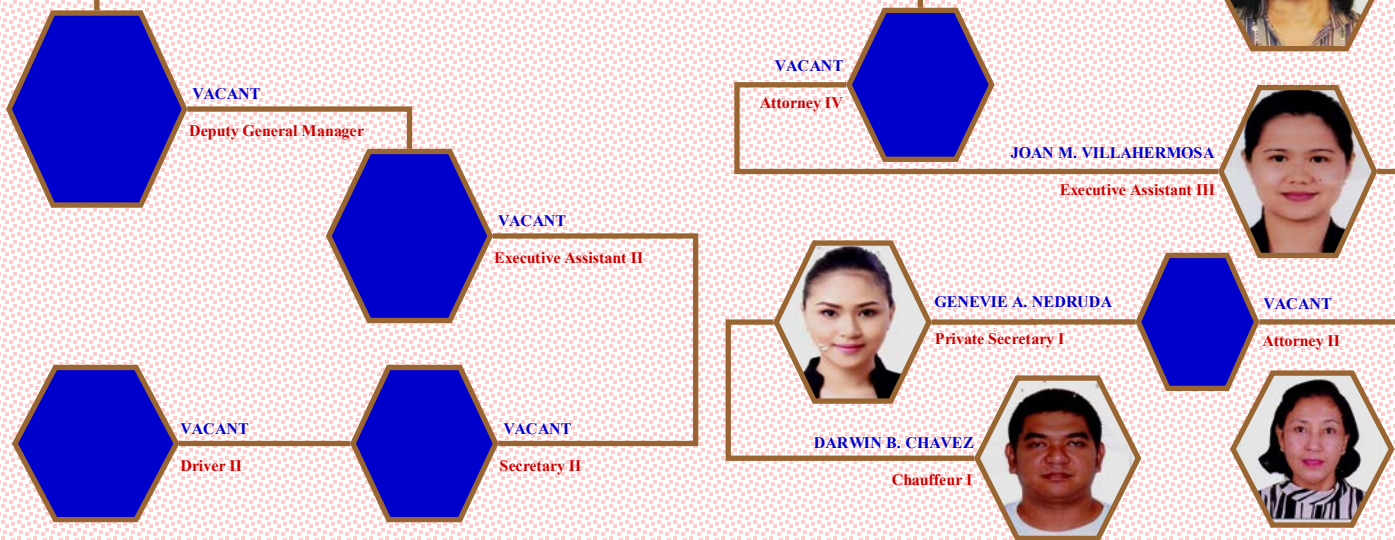
ILONA ROSE P. EBOL
Board Secretary IV

OFFICE OF THE GENERAL MANAGER (OGM)



VALENTINO L. CABANSAG
General Manager

OFFICE OF THE DEPUTY GENERAL MANAGER



ELEANOR A. PALIMA
Chief-of-Staff



JOAN M. VILLAHERMOSA
Executive Assistant III



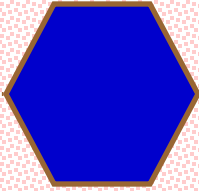
GENEVIE A. NEDRUDA
Private Secretary I



MIRLA V. VALERA
Administrative Staff for OGM

Management Services Department (MSD)

VACANT
Secretary



IRMA S. LAPPAY
OIC-Management Services Department/
Planning Officer V

CORPORATE PLANNING DIVISION

Oversees the implementation of an effective corporate planning, monitoring and control systems within the Authority and of an equally reliable information systems for planning, decision making and control purposes .

INFO. & COMMUNICATIONS TECHNOLOGY DIVISION (ICTD)

Ensures proper maintenance and consistent implementation of new echnologies and uninterrupted use of data processing system of the Authority.



JOHN OLIVER Q. SANOTA
OIC-Corporate Planning Division/
Planning Officer IV



HERBERT E. MENDOZA
Information Technology Officer III



DIVINA O. HERNANDEZ
Planning Officer III

ALEXANDER M. VENERACION
Information Technology Officer II

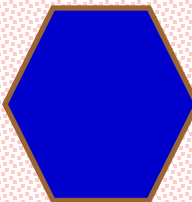


TERESITA C. AGANAN
Information Technology Officer I



AGNES A. PAJILAN
Planning Officer II

MELAROSE R. ROGAN
Information System Analyst II



VACANT
Planning Officer I



ANALYN L. VALENCIA
Information System Analyst I



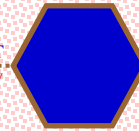
LORIEJANE S. HERNANDEZ
Administrative Staff for ICTD

Resident Retiree Servicing Department (RRSD)

ORLANDO H. HABITAN
DM III, Resident Retiree Servicing Department



VACANT
Secretary



PROCESSING DIVISION

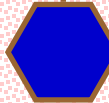
Formulate and implement policies, manage the processing of the retirees portfolio and coordinate with the accredited banks with regards to their adherence to Authority's policies.

SERVICING DIVISION

Render support and assistance to the Department Manager in planning, organizing, directing and controlling the activities of the Department as well as in the enforcement of systematic systems and procedures.



ANNALYN A. ERIA
DC- Processing Division



VACANT
Retiree-Assistance Officer IV



**FRANCIS JEFFREY L. MARASIGAN >
< GLENEZ S. BUNA**
Retiree Assistance Officer III



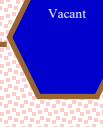
**< ROSEMARIE C. NEPOMUCENO
JOELSON B. ABELLA >**
Retiree Assistance Officer II



**JOANA L. PONCE <
KRISTIAN ANN G. CAMACHO**
Retiree Assistance Officer I



< MARTIN G. BUENCONSEJO II
Retiree Assistance Officer I



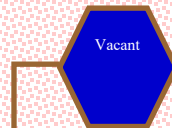
Vacant



PEDRO S. DEL ESPIRITU
OIC- Servicing Division/
Retiree Assistance Officer IV



SHENA MAE G. ARMENTIA
Retiree Assistance Officer III



PAUL MANFRED G. AMPARO >
Retiree Assistance Officers II



**< DARWIN E. FERNANDEZ
RUBIE JANE A. BAGUIO >**
Retiree Assistance Officer I



REMUS ERLAN S. PALMOS
Acting Supervisor- Satellite Offices

**Cebu
Satellite Office**

**Davao
Satellite Office**

**Clark-Subic
Satellite Office**

**Baguio
Satellite Office**



< ELMA A. CORBETA
Retiree Assistance Officer III,
Cebu
JAIME B. LLAMES >
Retiree Assistance Officer III, Davao



Established in key growth corridors located at Baguio City, Clark-Subic Area, Cebu City and Davao City to promote the PRA Program in the area, screen and pre-process pertinent documents of the enrollees.



< SCARLET L. LACHICA
Retiree Assistance Officer III,
Clark-Subic



VACANT



< JACQUELINE O. CALUMPANG
Retiree Assistance Officer II, Cebu



VACANT



VACANT

FREDERICK D.A. PATI >
Retiree Assistance Officer II,
Baguio



Administrative Staff for RRSD



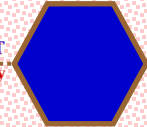
(L-R) JUANITO M. AFUANG, EARNEST JOHN A. DELA CRUZ, EDESSA JOY D. LAGRISOLA, MICHELLE L/ MOLINYAWE, JONALYN R. SAGUROS, JORGE M. CABRERA, DENNIS P. NUGUID, JOEL T. SALCEDO, PAOLO L. SALONGA, ROMICHELLE R. TURALBA, MARK ANTHONY C. CHAOS, RAY-ANN R. RAMOS, ALEXANDER C. MOSCA, JR.

Administrative and Finance Services Department (AFSD)

PHILIP JOHN B. MORENO
DM III, Administrative and Finance Services Department



VACANT
Secretary



ADMINISTRATIVE SUPPORT DIVISION

Render support and assistance to the Department Manager in planning, organizing, directing and controlling activities of the Division as well as in the delivery and enforcement of systematic policy systems and procedures.

FINANCIAL MANAGEMENT DIVISION

Plan, organize control and coordinate the activities of the department in providing adequate funds for established requirements in a timely manner at a cost consistent with prevailing condition and in keeping with the corporate plans and objectives.



MARCELINA T. CARBONEL
Administrative Officer V



REMUS ERLAN S. PALMOS
Administrative Officer IV



VANESSA A. OLIVAS
Accountant IV



EVELYN R. TANSIONGCO
DC - Financial Management Division



VIRGILIO G. ALONZO
Cashier III



MANUEL R. ASUNCION
HRMO III



MARI THEA A. VASQUEZ
Budget Officer III



KELVIN R. MARES
Accountant III



RANDY L. AVILES
HRMO II



ROBERT M. CASTRO
Cashier II



RUBY B. ABRIOI
Supply Officer II



EDNA T. DICHOSO
Financial Analyst III



EDERLIZA M. CUARTE
Budget Officer II



VACANT
Accountant II



JAQUELINE Z. ELIC
Records Officer II



VEA MARISSA M. REYES
Administrative Officer I



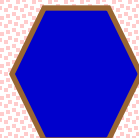
LINA E. ANTATICO
Financial Analyst II



MELBA A. NERA
Financial Analyst II



FERMIN B. TRINIDAD, JR.
Financial Analyst I



VACANT
Financial Analyst I

Administrative Staff for AFSD



(L-R) NELISSA JOYCE I. ELEAZAR, ERICSON N. BALEAN, JAYPEE B. BRON, MICHELLE E. CADUBLA, BOBBY G. CERVANTES, JULIUS Y. PLARISAN, RICHARD D. NANAGAD, MARY-ANN R. SIOCO, ESTELITO C. BALDO

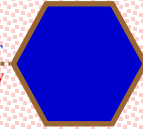
(L-R) MARA KRISTINE P. DE LA CRUZ, RYAN I. FALCATAN, NANETTE C. GAMPOY, ANGELA MER R. GENEROSO, FARRAH JANE E. OLIVA, CATHERINE J. GUARIÑO

Marketing Department (MD)

NOEHL D. BAUTISTA
DM III, Marketing Department



VACANT
Secretary

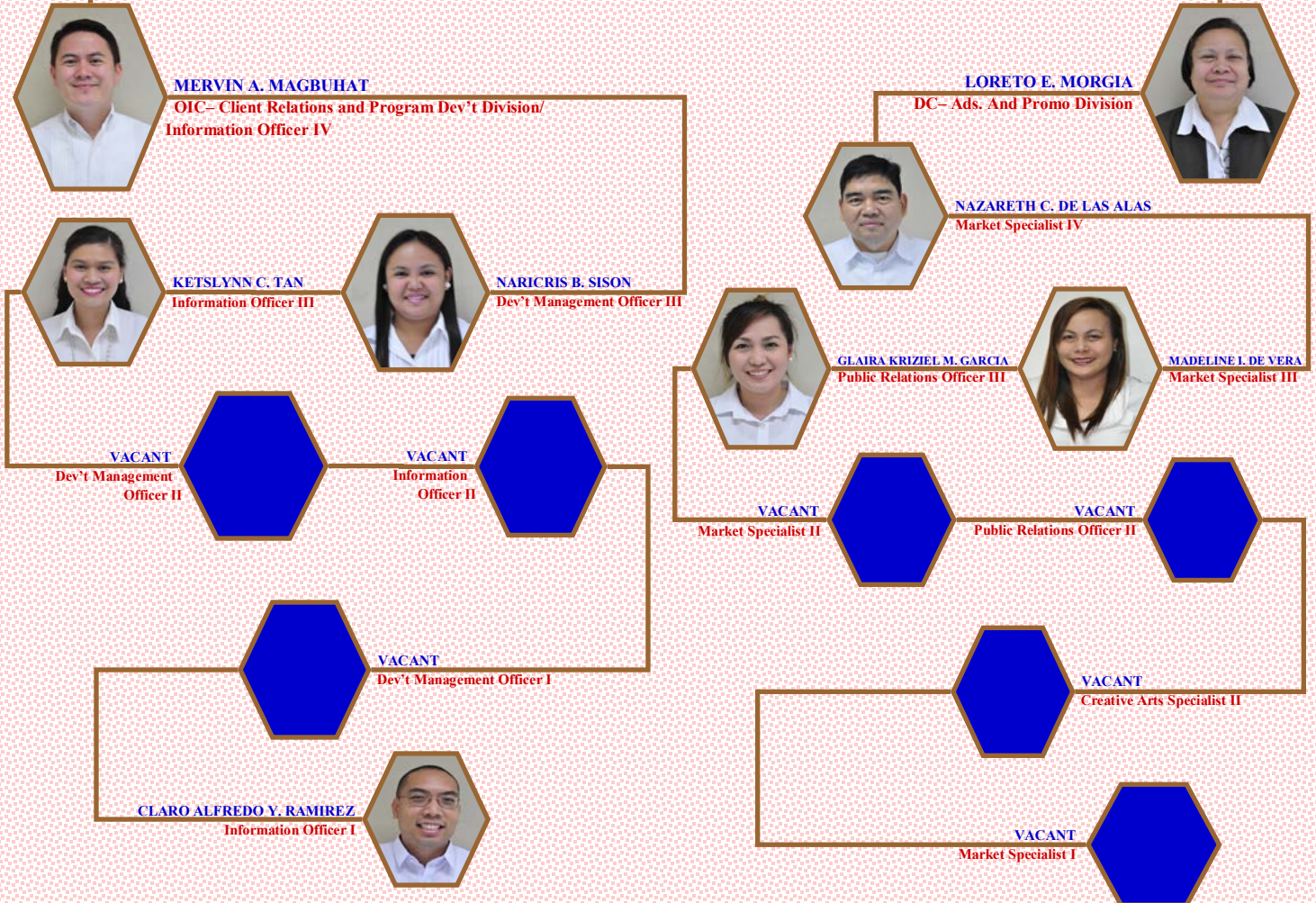


CLIENT RELATIONS & PROGRAM DEVELOPMENT DIVISION

Responsible for the execution and implementation of the Authority's marketing programs and the periodic analysis of the performance of participants as well as the marketing and viability of the programs.

ADVERTISING & PROMOTIONS DIVISION

Plan, organize, direct, and control the activities of the Division in accordance with the specific guidelines and instructions of the Department Manager for Marketing.



Administrative Staff for MD



(L-R) GERALDINE THERESE M. AGUSTIN, PRINCEBINI V. YACAT, CAMILLE ANNE M. MAITEM, ROMEO B. GENETE, ROLAND S. CASALS, RONALD JACOB B. GARRATON

Corporate Information

Head Office

29th Floor Citibank Tower,
8741 Paseo De Roxas, Makati City
Philippines 1200

Board of Directors

Ramon R. Jimenez Jr., Chairman
Valentino L. Cabansag, General Manager/CEO
Amando M. Tetangco, Jr.
Siegfred B. Mison
Eugene T. Kaw
Vicente S. Aquino
Estanislao R. Canta
Vicente G. Uncad

Corporate Secretary

Ilona Rose P. Ebol

PRA TIN Number:

001-482-608

Independent Auditor

Rosalie D. Sarmiento
OIC-Supervising Auditor
Cluster 6, Corporate Government Sector
Commission on Audit

PRA Contact/ Inquiry

Trunkline: +632-848-1412 to 16
Local Nos.: 131 (MSD)
132 (CorPlan)
174 (ICTD)
111 –113 (AFSD)
181 (Servicing)
114 (Processing)
150 (MKTG)
Fax Nos. +632-848-7106
Email: inquiry@pra.gov.ph
Website: www.pra.gov.ph

Satellite Offices

Acting Supervisor -PRA Satellite Offices

Remus Erlan S. Palmos
PRA Head Office
29th Floor Citibank Tower,
8741 Paseo De Roxas, Makati City
Philippines 1200
+632-848-1412

Cebu Satellite Office:

Elma S. Corbeta
Address: 202 Club Ultima Fuente Tower 2, Crown
Regency Hotel and Towers Fuente, Osmena Jones
Ave., Cebu City

Clark/ Subic Satellite Office

Scarlet Lachica
Address (new): Unit 105, Ground Floor, The Azur-
ro Hotel, McArthur Highway, Balibago, Angeles
City, Pampanga

Davao Satellite Office

Jaime B. Llames
Address: Suite A306, Plaza De Luisa Building,
Ramon Magsaysay Ave., Davao City

Baguio Satellite Office

Frederick De Ausen Pati
Address: Unit 8 Bldg 3, Nevada Square, No 2,
Loakan Road, Baguio City

Governance and Corporate Social Responsibility



Our Commitment to Good Governance

Corporate Governance—defined as the framework of rules, systems and processes of the Authority that governs the performance of the Board and the Management. As a GOCC regulated by RA 10149, the Philippine Retirement Authority complies with the good governance conditions set by the Governance Commission for GOCCs (GCG).

The Authority adopts a Code of Corporate Governance as its general reference. In May 2015, the GCG approved the PRA’s Manual of Corporate Governance.

Its provisions revolve around 3 Governing principles: 1) *Transparent, responsible and accountable manner of executing governance* ; 2) *Periodic reporting and evaluation system for the Authority’s operations and management*; and 3) *Competency of the governing board* .

The Board’s Conduct of Business

Powers and Functions: In addition to the innate powers of the Board granted by EO 1037, the Board also provides policy direction, monitors and oversees management actions as part of their responsibility relative to PRA’s performance, which include:

1. Establishing the Authority’s vision, mission and objectives, as well as the system to measure them through the annual Performance Evaluation System (PES) and the Performance Scorecard;

2. Determining the organizational structure of the Authority, and defining the duties and responsibilities of its officers and employees;
3. Providing sound written policies and guidelines on the operating budget and major capital expenditures;
4. Ensuring fair and equitable treatment of all stakeholders and enhancing the Authority’s relation with stakeholders;
5. Providing corporate leadership to the Authority; and
6. Ensuring that personnel selection and promotion shall be on the basis of merit and fitness, and that personnel action shall be in pursuit of the applicable laws and regulation.

Discharge of functions

The Board of Trustees must discharge their duties and responsibilities objectively and in the best interest of the Authority at all times.

The Board Committees

Different Board Committees have been created to assist the Board in performing its duties and responsibilities: Immigration Committee, Banking Committee and the Audit Committee. The responsibilities of each of these committees are disclosed in the following table:

BOARD COMMITTEES	FUNCTION	COMPOSITION
Immigration Committee	1. To resolve immigration related issues.	Board of Trustees except Chairman
	2. To oversee the proper implementation of immigration Laws in consonance with the PRA charter.	
	3. To review PRA processes relative to B.I.'s approval and cancellation of SRRV.	
	4. To review the documents of SRRV holders with pending and resolved cases in B.I.	
	5. To secure from B.I. the names of all foreign nationals included in the Blacklist	
Banking Committee	1. To review policies on accreditation of banks as depository for the PRA retirees visa deposit requirements, including policies on applicable fees to be collected from accredited banks.	Board of Trustees except Chairman
	2. To monitor banking activities of PRA and its relationship with its accredited banks.	
	3. To recommend to the PRA Board of Trustees on matters related to PRA bank transactions.	
Audit Committee	1. To request the management on the submission of actions taken relative to COA's audit and recommendation.	Board of Trustees except Chairman
	2. To review and discuss reports/outputs submitted by Internal Audit Division (IAD)	

Board Meetings

Since majority of the Board members (*principal and alternates*) are ex-officio or acting by virtue of one's title to another office, they are bound to serve their respective offices on top of their outside memberships. Due to this, Board meetings are hardly scheduled one (1) year in advance or at least marked in the calendar at the beginning of the year. Although not monthly as the charter calls for, the Board still managed to sit down for Board and Committee meetings in 2015 especially on matters requiring Board intervention. The attendance of the Board in the aforementioned meetings in 2015 is set out in table below.

Minutes of the meetings are circulated to the Board to keep all Trustees updated of the activities, projects, requirements and issues of the Authority. The Corporate Secretary keeps all minutes of the meetings.

Prior to conduct of different promotional activities, the Board also approves the Marketing Plan. This in turn will form part of the projected Marketing Expenses in the proposed COB of PRA, which the Board also approves.

Board Orientation

As part of orientation and information dissemination to all Trustees, the Corporate Secretary circulates to the Board members all reports and other documents necessary in their decision making.

Name of Trustee	Board						Board Committees	
	260 th Board Meeting 6 th F DOT Multi-Purpose Hall, The New DOT Bldg., 351 Sen Gil Puyat Ave., Makati City February 12, 2015		261 st Board Meeting 6 th F DOT Multi-Purpose Hall, The New DOT Bldg., 351 Sen Gil Puyat Ave., Makati City July 10, 2015		262 nd Board Meeting 34F Top of the Citi, Citibank Tower, 871 Paseo de Roxas, Makati city October 21, 2015		1 st Banking Committee Meeting Office of the Deputy Governor, Bangko Sentral ng Pilipinas, A. Mabini St. Cor P. Ocampo St., Malate Manila November 11, 2015	
	Present	Absent/ On Official Business (OB)	Present	Absent/ OB	Present	Absent/ OB	Present	Committee Members absent/ OB
Hon. Ramon R. Jimenez, Jr. Chairman	x			x	x			
Hon. Veredigno P. Atienza Vice Chairman (Until 05 June 2015)	x							
Hon. Valentino L. Cabansag Vice Chairman (Starting 08 June 2015)			x		x		x	
Hon. Vicente S. Aquino Member, Bangko Sentral ng Pilipinas	x		x			x	x	
Hon. Estanislao R. Canta Member, Bureau of Immigration	x		x		x		x	
Hon. Eugene T. Kaw Member, Department of Tourism	x			x	x			x

Matters Requiring Board Approval

The Board of Trustees, is the highest level of Authority in PRA on financial matters specifically the Corporate Operating Budget (COB) and any project which involves capital expenditures (CAPEX) in excess of PHP 1 Million.

Aside from financial matters, the Board also streamline the strategic direction of PRA. Every year, starting 2012, the Board negotiates and approves, the Authority's performance targets reflected in the Performance Agreement with the GCG.

Board Composition

As supported by the Charter, the PRA Board consists of Trustees who are ex-officio members holding office relevant to the nature of the PRA program, its products and services, and activities.

The current Chairman of the Board is the Secretary of the Department of Tourism (DOT), Mr. Ramon R. Jimenez Jr., who is responsible for program and policy coordination of PRA. PRA's plans and programs share the same horizon with tourism's mandate: to propel the socio-economic growth of

the country, generate investment, foreign exchange and employment, and to continue to mold an enhanced sense of national pride for all Filipinos. Retirement is a contributor in the tourism industry. It is the same reason why the Tourism Act of 2009 placed PRA under the supervision of the DOT.

The Vice Chairman of the PRA Board of Trustees is the Chief Executive Officer/ General Manager of the Philippine Retirement Authority. The Chairman and the CEO /General Manager are separate persons and are not related and that their roles are kept distinct as they have different scope of responsibilities, accountabilities and capacity for independent decision-making.

The PRA Vice-Chairmen and CEOs in 2015 are Mr. Veredigno P. Atienza (2010 to June 2015), and Mr. Valentino L. Cabansag (June 8, 2015 to present).

Members of the Board consist of the following:

1. Commissioner of the Bureau of Immigration (BI) or his duly designated representative/ alternate;
2. Governor of the Bangko Sentral ng Pilipinas (BSP) or his duly designated representative/ alternate; and
3. Duly designated representative from the DOT

Key information on Trustees

All relevant information on each of the Board of Trustees are disclosed on pages 8 to 10.

Board Performance

Aside from the Performance Evaluation for Directors (PED) conducted separately by the GCG for all members of the Board of all GOCCs under RA 10149, PRA also has its own Annual Performance Evaluation of the Board (APEB) patterned after the PED. The APEB is an essential tool in enhancing the professionalism among Trustees and a useful incentive for the Board Members to devote sufficient time and effort to their duties.

Components of the APEB include:

1. Performance based on GCG MC No.2013-02 (Performance Evaluation System);
2. Director Performance Review (DPR); and
3. Director Attendance Score

Details of each of the components are discussed in Section 18 of



the PRA Manual of Corporate Governance.

PRA acknowledges that the APEB shall be used as basis for determination of reappointment of appointive director/trustees and for the purpose of reporting to the President of the performance of the ex-officio directors/trustees and their alternates in the GOCC sector (GCG MC. 2014-03)

With the change in Management composition and the approval of the Manual of Corporate Governance, where the APEB was discussed in June 2015, PRA was not able to conduct the APEB for its Board of Trustees for FY 2015.

Corporate Social Responsibility

PRA is fully aware of its businesses' impacts on the rest of the society including our internal and external stakeholders and on the environment. The PRA Corporate Social Responsibility

Statement was coined to serve as PRA's commitment to make positive impact to the community.



Corporate Social Responsibility Statement of the Philippine Retirement Authority

*For the **Philippines**, our Motherland, we are committed to establish programs/activities geared towards making the Philippines a leading and significant destination for the worlds seniors, retirees, and elderly, as a primary driver for increasing local employment and promoting inclusive socio-economic development.*

*For the **National Government**, our sole stockholder, we pledge to safeguard its stockholdings, increase taxes paid and its dividend earnings remitted to the National Treasury.*

*For our **Retiree Applicants**, we will constantly devise tools/activities that will increase the awareness of and the attractiveness to foreign retirees, of the Philippines as a retirement destination.*

*For our **Retiree Members**, we are committed to enabling and empowering segments of the public and private sectors for excellent service to our members.*

*For our **Officers and Employees**, we are committed to producing a caring and supportive working environment conducive towards the full development of their human potential.*

*For our **Suppliers** both from the public and private sectors, we are providing a level playing field that will give them equal opportunity in promoting their products and services, thus adding value to their businesses.*

*For our **Internal Environment**, we hope to provide a healthy, safe, and enjoyable environment for our employees, visitors, and contractors.*

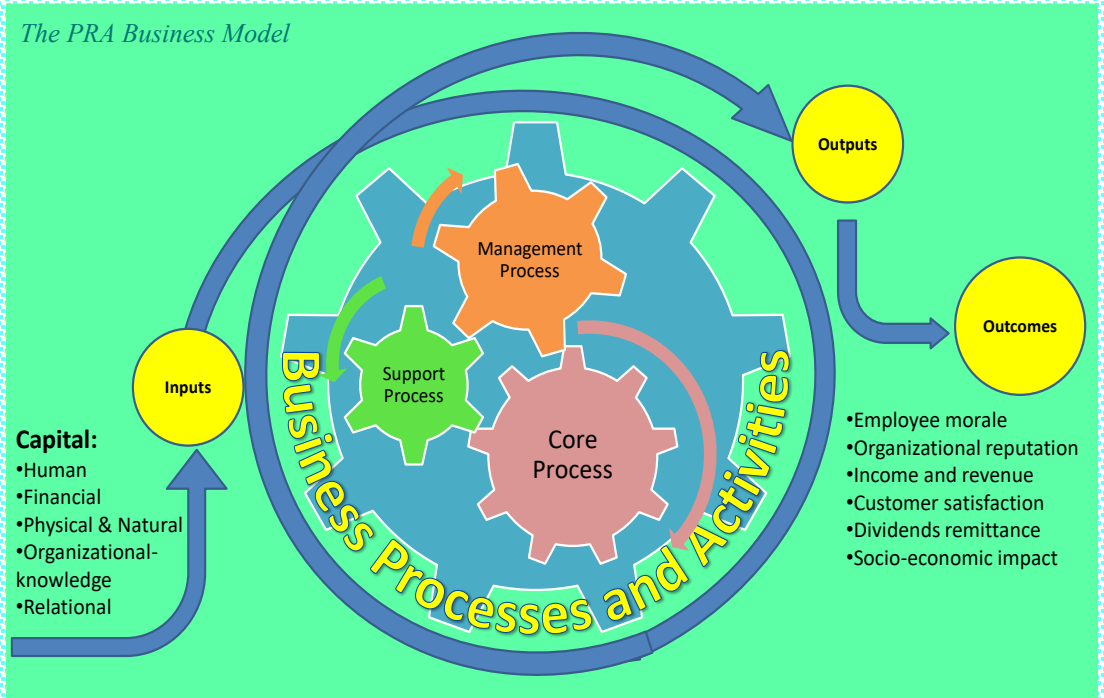
*For our **External Environment**, we seek a sustainable and healthy environment for society in general.*



The PRA Business Model

How PRA was able to transform its inputs, through business activities, into outputs and outcomes, is simply illustrated in the PRA Business Model in the illustration below:

SRRV and providing services to different stakeholders. Some GOCCs in the country are being subsidized by the government to fund their programs activities and projects in pursuit of their respective mandates. But not for



Inputs in the PRA Business Model are defined by the needs and requirements of the customers/ stakeholders. They are basically the capital resources needed to provide the output PRA requires. Values of these capital may increase, decrease, transform through business activities and outputs.

1. **Human Capital** refers to the PRA's people, their competencies, capabilities, willingness to innovate, ability to understand, develop and support PRA's directions and strategies. The approval and implementation of the Rationalization Plan in 2013 led to 27 permanencies, 23 promotions and 13 new hires as of December 2015. Also, the Administrative Support Division has started conceptualizing the PRA Competency Framework and is looking forward to its implementation in 2016.
2. **Financial Capital** includes funds available for use in the issuance of the
3. **Physical and Natural Capitals** include tangible assets of PRA that are available for use in the production of tangible outputs and rendering of services: the office space in Citibank building and satellite offices, the machines, equipment and supplies, air, water, etc.
4. **Organizational-knowledge Capital** of PRA includes different licenses, software, procedures and protocols relevant to the issuance of SRRV.
5. **Relational Capital** are the social rela-

PRA. Since 1994, PRA became self-sustaining and does not rely on government equity to sustain operations. Just like with any other agencies, a Corporate Operating Budget must be approved based on the proposed plans and programs to control and monitor the level of expenditures of PRA.

tionships among different stakeholders of PRA, communities, government and industry partners and other networks and affiliates. It includes shared norms, values and behavior, trust and confidence of the stakeholders to engage in business with PRA and the reputation of the Philippines as a retirement haven that PRA had developed.

Business Processes and Activities

PRA's business activities are interactions among three business processes. These are:

1. **Management Process** defines how the organization plans, monitors, and measures performance to ensure that the mandate and goals are attained. Different activities under this process include Strategic Planning, Performance Agreement Negotiation, Management Review, Internal Quality Audit, Policy Formulation and Review, and Stakeholders Feedback Management.
2. The **Core Process** describes all processes which are necessary to realize and deliver the service to customers. It includes Market Development, Creation and implementation of Marketing Plan, Recruitment and Enrolment of SRRV Applicants and Provision of After-membership activities.
3. The **Support Process** explains all requirements that are necessary to manage and control resources. Activities under this process involve management of human resources, financial, procurement, goods and services and IT resources and information.

Outputs in the PRA Business Model refer to the prod-

ucts and services delivered at the end of each business activity or process. For PRA, the key product is measured by the number of foreign retirees enrolled and issued with SRRV and the Number of retirees who availed of the PRA after-membership services

When outputs have been delivered, PRA measures the after effect of the service delivery or the **outcomes**. External outcomes are necessary to be determined as they are uncontrollable and can affect PRA's operation. These include:

1. Socio-economic impact— the more retirees we are able to bring in, the more forex we generate, the better the value of the peso, the more employment we generate and the greater the effect to the economy
2. Customer Satisfaction—One of the projects of PRA, also a target in the Performance Scorecard is the conduct of Customer Satisfaction Survey by a third party.
3. Payment of Taxes and Dividend Remittances—As a GOCC, the relevance of PRA's existence can also be viewed on its ability to contribute to the National coffers. The better we are in planning, promotion of the program, in managing finances, the more we can give to the government.

Internal Outcomes, on the other hand, include employee morale, the reputation of the organization and of course, the revenue, the cash flows and income generated.

PRA ensures to achieve positive outcomes at all times because we understand that once the different capitals are



The PRA Risk Management

Just like any private or even public organization, PRA understands that there can be risks at any given time. We cannot eliminate risks. They are inherent in everything we do but we need them in order to grow and be strong as an organization. With the number and complexity of PRA's transactions and activities, there is no doubt that any type of risk can evolve, multiply, or even mutate at some point in PRA's life.

Our motto when it comes to risks: "No Surprises!". We have taken on board the management of risks and opportunities which is also a requirement in the establishment of PRA's Quality Management System (QMS) certifiable to ISO 9001:2008. PRA Risk Management aims to proactively mitigate the undesired effects of potential risks and to take advantage of the opportunities helpful for the organization.

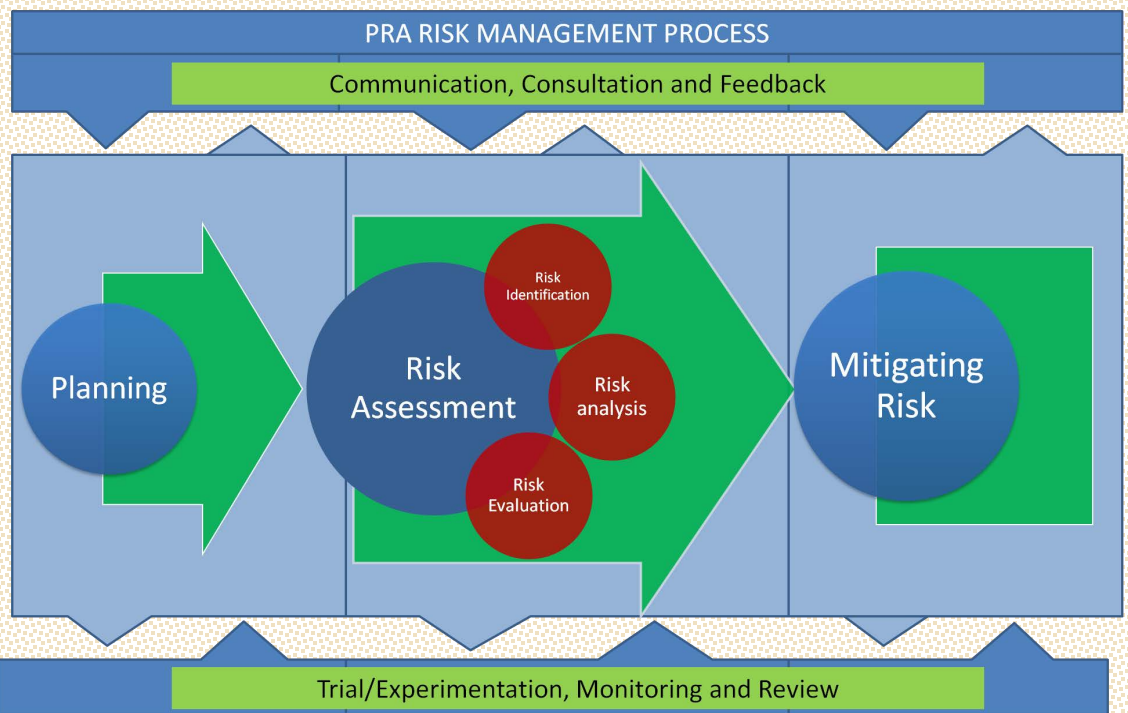
PRA Risk Management Process is an organizational-wide concern. It involves participation and team effort from top management down to the rank and file and contractual employees. It is incorporated in the PRA's *planning* activities to be able to set the Management's direction. In PRA, we believe that process owners in every

division are the ones who can best identify and provide the best preventive measures to potential risks arising within the scope of their functional levels. In short, everybody is a risk professional because the types of roles one will undertake are indeed diverse. They include roles in business continuity, safety, system security, regulatory and operational, health, financial, investment, global competitiveness, forex fluctuations, fraud and falsifications, accredited banks financial stability.

Planning in PRA's Risk management Process involves defining the parameters and setting criteria for managing risk.

The Internal Audit Division, on the other hand, is the one responsible for the regular conduct of **Risk Assessment**, which is part of the division's mandate in coordination with the process owners where potential risk is likely to occur. It involves *Risk Identification* where potential risks are being searched, and extracted, recognized and described; *Risk Analysis* where the causes and sources of risk, its potential impact and likelihood of occurrence are broken down, scrutinized and understood; and *Risk Evaluation* where

Our motto when it comes to risks: "No Surprises!"



risks are evaluated against the pre-defined criteria.

Mitigating risk involves developing action plans to mitigate them or reduce undesired effect.

The following PRA Material Risk Factors, updated as of December 2015, identifies different internal and external risks and formulate action plans to mitigate each of them.

The PRA Material Risk Factors

1. Global Competitiveness

The number one risk to the Philippine Retirement Industry is global competition. We can do well but if others do better, they will get the business. We are NOT the only show in town. What we want, others also want for themselves.

To address the risk and manage our country's position vis-a-vis global competition in the retirement industry, the PRA is exercising thought leadership and is promoting the implementation of the PRA RADAR (*Retirement Areas Deemed as Retiree-Friendly*) Index in every locality which can serve as a global framework in making the Philippines, a preferred retirement destination in the world.

2. Foreign Exchange Fluctuation

PRA generates deposits in US dollars. Currency rates are influenced by numerous fundamental and technical factors such as economic performance, supply and demand of the two currencies, and inflation. The relative strength, or lack thereof, of the dollar against other major currencies will dictate the industry. Retirees' value for money is at stake as the purchasing power decreases. Competitiveness and ranking in the International Living Index is at risk.

To deter or at least lessen the impact, the PRA, as an internal measure, upon maturity of time deposit (in dollars), converts it into Peso and invests in High Yield Savings (for PRA Account only). Also, PRA allows the conversion of the retiree's deposits into investments.

3. Regulatory Risk

Some potential retirees find it difficult to satisfy Bureau of Immigration requirements and policies.

In order to lessen its effects, PRA is very proactive and inform their customers/ retirees well.

4. Fraud / Falsification of Requirements

Retirees submit requirements based on a given check-

list. Such submission of requirements is vulnerable to fraud or falsification. There have been cases where some documents submitted were found to have been falsified and procured, this is more of the exception than the rule. At any rate, the human imagination is limitless, and PRA must be ready for imaginative scams.

In order to address the issue and risk, the Department in charge of the process has created a system of verification with different government agencies and offers assistance in procuring original and authenticated requirements from NBI, DFA and other consular offices.

5. Accredited Banks' Financial Stability

The visa deposits of retirees are deposited in PRA Accredited Depository Banks. PRA cannot control the operations of the private accredited banks. It is a risk on the part of PRA and our Retirees in case of instability or mismanagement of private banks or worst, bankruptcy.

In view of this, we have accredited a government bank, the Development Bank of the Philippines (DBP) for the retiree's deposits. At the same time, the DBP and Land Bank of the Philippines serve as depository banks of PRA funds. The government banks are known for their stability, hence, exposure to risk is minimized.

6. System Security Risk

The increasing sophistication of security breach is a global concern. Thus, the Information and Communications technology Division continually keeps abreast of developments and conduct regular file back-ups.

7. Safety Risk

PRA believes that a safe and sound working environment creates productive employees and encourage systematic and easy flow of transactions between and among divisions and units. Employees and even other stakeholders transacting with PRA are prone to risk of associated with poor physical working environment.

PRA, through the Administrative Support Division ensures compliance with the Occupational Safety and Health Center, an agency regulated by the Department of Labor and Employment (OSHC-DOLE), as a means of mitigating potential safety risk focused on preventing work related-illnesses , injuries and diseases, eliminating work environment hazards and their effects and improving the workplace environment.

8. Good Governance Risk

As a GOCC, PRA regards good governance as good risk management, especially that it involves the Board and the Management performance. There are various good governance conditions that PRA must not just comply with but also understand. The risk of not being able to meet the requirements of good governance poses an impression of a GOCC with weak performance and inadequate governance and management.

In order to mitigate or reduce the effects of the good governance risk, PRA has a division who will coordinate with the IATF -AO 25 and the GCG for the good governance compliance. The Compliance Officer and the Corporate Secre-

tary participates in different corporate governance seminars and training for capacity building.

8. Health Risk

As PRA aims for greater number of foreign retirees enrolled, the risk of them being able to transmit communicable diseases also becomes great.

To address the risk, PRA has been very stringent with its policy on the medical examination requirement for SRRV applicants. Also, PRA has accredited medical clinics/facilities for SRRV applicants and has also been strict with the requirements for accreditation.

9. Property Risk

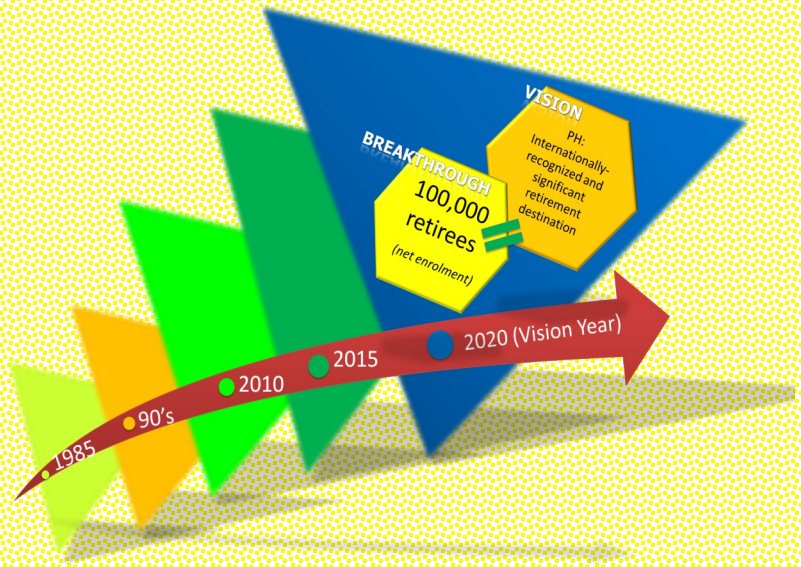
Plant, Properties and Equipment used by PRA in its operations are also prone to property damage and business interruptions.

To reduce the undesired effect of this risk, the Authority has property insurance for its PPE.



The PRA Long-term Direction

As agreed with the GCG, the new vision of PRA must have a corresponding breakthrough result for its vision year, 2020, as the strategic target. That breakthrough result is to be able to enroll 100,000 retirees cumulative enrolment net of cancellation from 1985 to 2020. By then, we can say that PRA indeed had been successful as a catalyst in strengthening the Philippines retirement industry. Putting it in numbers, PRA's enrolment graph will be like the one below.



We can also consider the breakthrough result as the ultimate output of the PRA's business activities and processes shown in PRA Business Model in page 23, and the Vision as the ultimate outcome that PRA will try to attain in the long run.

All these strategic planning, target review, analysis of previous performance and target setting took place in the management process/ activities in the PRA Business Model.

There are two factors that PRA must carefully observe to achieve the vision and the breakthrough result:

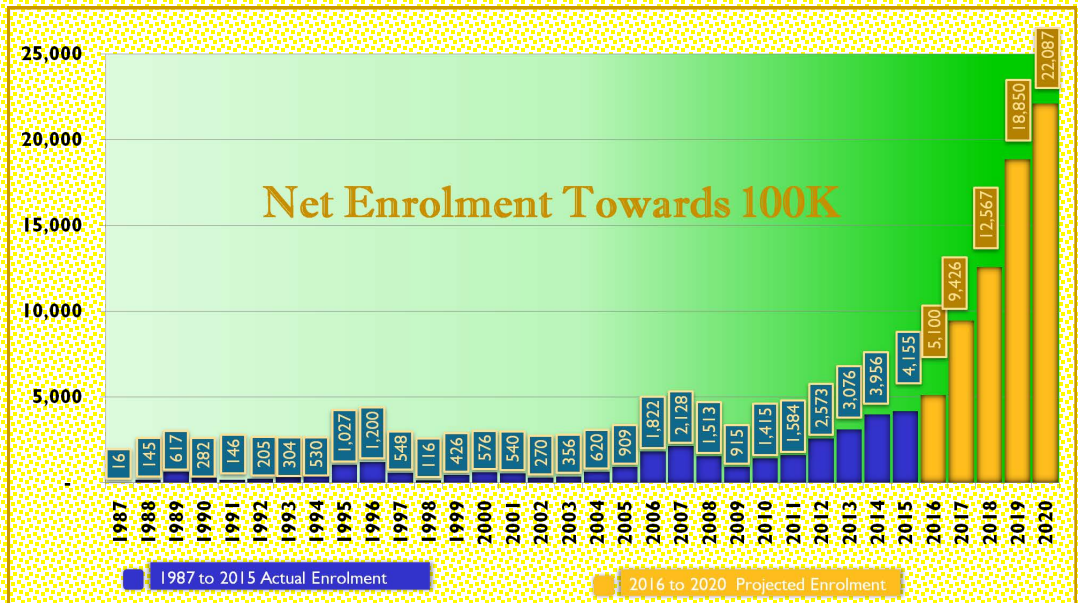
1. Enrollment of Foreign Retirees, which

measures the effectiveness of our promotions in enticing retirees to choose PH as their retirement destination; and

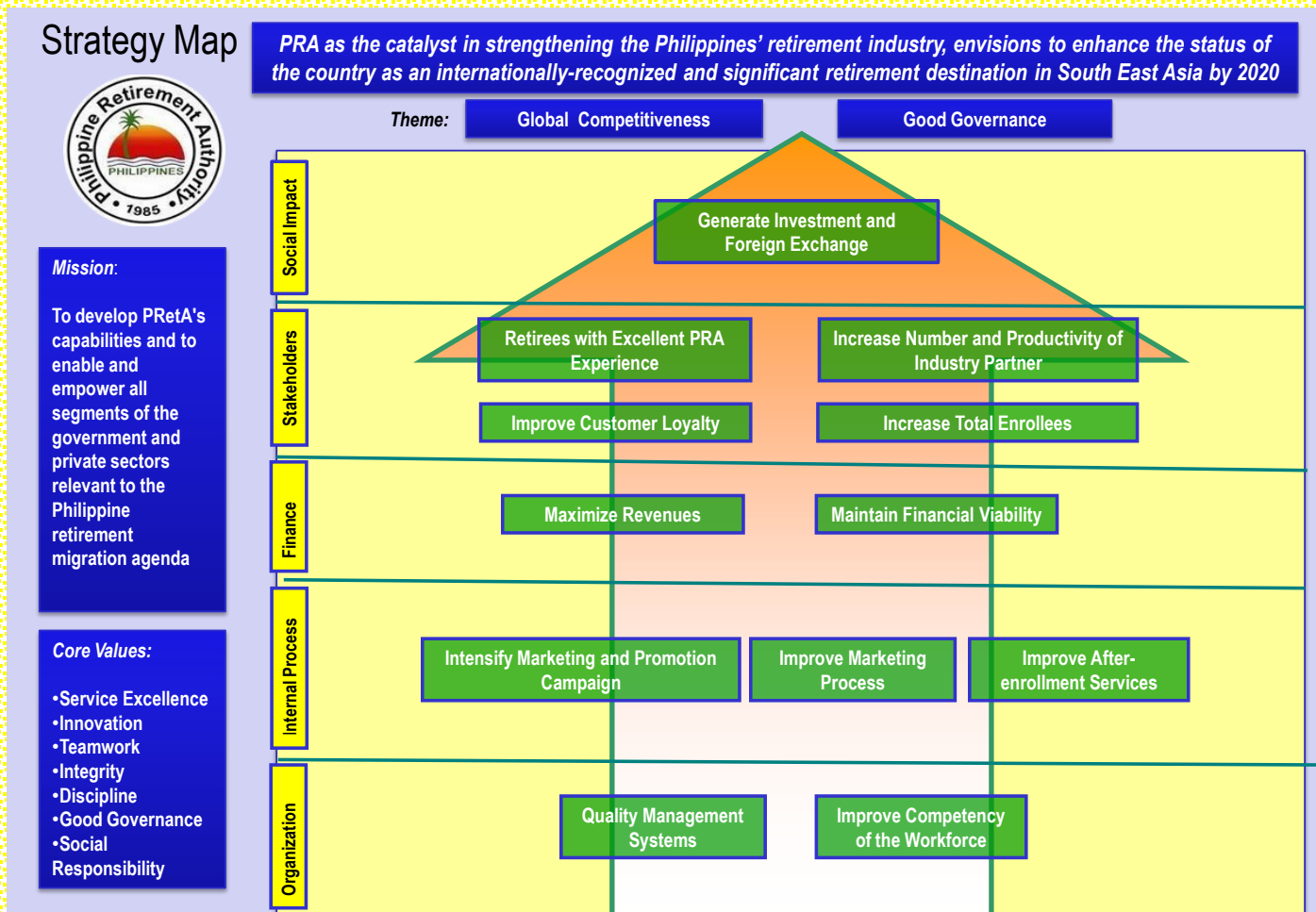
2. Retention of Foreign Retirees which measures how effective and efficient are the after-membership programs and services of PRA and the customer relations it has to retiree-members

These are all in the core process of the PRA Business Model.

The role of the PRA support process, as previously shown in the business model, focuses on resource allocation such as the need to deploy, train and manage manpower, the budget for the activities and projects, the provision of supplies and others relevant to enrolment and retention.



The PRA Strategy Map



A strategy map, as they say, is the “story towards the vision connecting different strategic objectives and perspectives logically, along with the mission and core values of the organization.

All items within the strategy map have distinct roles and meaning. They are all pointed towards the vision.

The **PRA Vision Statement** reflects the long-term strategic direction that PRA shall pursue. In 2015, a new Vision Statement was approved during the Performance Agreement Negotiation. PRA made it more specific and realistic to the capacity and mandate of the Authority and measurable as there will be a gauge against other competitors in Southeast Asia, and time bound as there is a definite timeframe/ period for its accomplishment.

The **PRA Logo** commands ownership of the map .

The **Mission Statement** of PRA , restated in 2012, provides the outer limits for defining the Vision Statement. PRA exists as an enabler/facilitator of stakeholders , both public and private , of the Philippine Retirement Migration Agenda which was introduced by the then GM, Veredigno P. Atienza in the 2nd Retirement Summit in 2012 (*see Appendix A*).

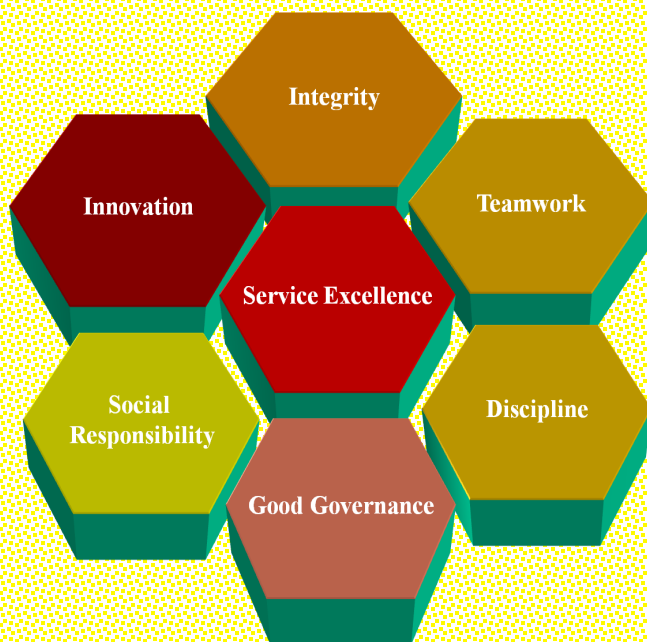
The Philippine Retirement and Ageing Agenda was further enhanced with the presentation of the Philippine Retirement Industry Roadmap in 2014, a product of collaboration with other government and private institutions (*BOI, DOH, DOLE, DILG, BI, TESDA, RHC, CREBA, PRI, Life Care Residences*). The Retirement Industry Roadmap primarily examines the retirement industry by stating and evaluating its current conditions, determining the role of the government in support of the industry and ensuring the sustainability of the industry by attaining the needs and standard of living of retirees. It uses the PRA RADAR Index as the global planning framework, which encourages every locality, even the smallest unit of the

society to be a retirement haven. (see Appendix B)

With the transition in management, this retirement industry roadmap is being reviewed for improvements prior to implementation.

This retirement roadmap, once approved will aid PRA in accomplishing its mission. As of today, PRA continues its established ties with other government agencies with mandates relative to the SRRV program like the Bureau of Immigration, the Department of Tourism, the Board of Investments, the NBI, and with other private entities through PRA's Accreditation Program.

The **PRA Core Values** are the qualities that we believe are the foundation on which we perform our work. They are PRA's guiding principles in every conduct and practices.



The **Strategic Themes** “*Good Governance*” and “*Global Competitiveness*” are considered to be the main business strategies that form the basis of PRA's business model. As the GCG PES Guidebook defined, Strategic Themes are sometimes referred to as “pillars of excellence”. In PRA, we call them the 2G Pillars of Success: Good Governance because we promote transparency and accountability as public servants and Global Competitiveness because we aim to be the best choice in Southeast Asia for retirement of seniors and elderly around the globe.



The **Strategic Perspectives** are the different areas where PRA's products and services are expected to have beneficial impact in order to attain the vision. 5 Strategic Perspectives were identified:

1. The Social Impact Perspective is the national and community-wide impact of the PRA program. Taking it from the mandate, we are expected to excel in generating investment and foreign exchange. As the perspective closest to the vision, the Social Impact perspective closely mirrors the vision.
2. How must PRA services and programs impact our stakeholders, are encapsulated in the Stakeholder/ Customer perspective. We try to measure how they are able to benefit from being our stakeholders, both our primary stakeholders who are the retirees, and secondary stakeholders like our industry partners.
3. To support the strategic direction of PRA, financial resources must be maximized. This area is being covered by the Finance Perspective.
4. Internal Process Perspective are the key processes that PRA must excel in order to achieve the vision and the breakthrough result. These are the core processes in the PRA Business Model
5. Lastly, the Learning & Growth/ Organization Perspective covers how PRA align its resources/ inputs in the PRA Business Model— Human, Information and Organizational Capitals to support the core processes.

The PRA Performance Scorecard

The Strategic Objectives are the strategic priorities that PRA must undertake to achieve the vision. Each Strategic Perspective has different Strategic Objectives and each Strategic Objective has different Strategic Measures. The Strategic Measures are more familiar to us as the key performance indicators (KPI). Each strategic measure has a short-term Performance Target. Achievement of target or below target has a

corresponding weight in the scorecard to determine the overall rating of PRA. All of these are reflected in a Balance Scorecard or the Performance Scorecard of the Performance Agreement with the GCG (see Appendix C), which is a more detailed illustration of the strategy map. Below is a snapshot of the 2015 Scorecard per Strategic perspective.

Social Impact

01

Strategic Objective	Strategic Measure	Formula	Weight	2015 Target
Generate Investment and Foreign Exchange	Amount of Annual Foreign Currency generated from visa deposit	Net Visa Deposit	5%	\$ 38,250,000.00
	Establish a system that will monitor the actual expenditures of retirees (spend on conversion, household services, medical, etc.	All or Nothing	5%	Management-approved Monitoring System

Stakeholders

02

Strategic Objective	Strategic Measure	Formula	Weight	2015 Target
1. Retirees with excellent PRA experience	Customer Satisfaction Rating	Rating Scale Below Satisfactory= 0	5%	Satisfactory or its equivalent percentage
2. Improve Customer Loyalty	Retention Rate for the year	[1 - (Withdrawal at the end of rating period / Net Enrollment Beginning Balance)] x 100%	10%	≥97%
3. Increase Total Enrollees	Net Enrollment for the year	Rating Scale Net Enrollment at the end of rating period	15%	4,250
4. Increase Number and Productivity of Industry Partners	Number of Principal Retirees enrolled by Marketers at the end of the rating period.	Absolute Number	4%	2,000

Finance

03

Strategic Objective	Strategic Measure	Formula	Weight	2015 Target
1. Maintain Financial Viability	Revenue Generated	Gross Income from operations + interest income from visa deposits	10%	PHP 588,319,491.43
2. Maximize Revenues	Net Operating Income	Revenues+Interest Income from Operations- Opex	10%	PHP 373,576,836.53

Internal Process

04

Strategic Objective	Strategic Measure	Formula	Weight	2015 Target
1. Intensify Marketing and Promotion Campaign	Percentage of Marketing and promotion activities conducted based on the Board-approved Marketing Plan	Number of conducted marketing activities/Total number of Board Approved activities	5%	95% (Marketing Plan based on PPMP)
3. Improve Marketing process	Percentage Increase in the number of walk-in principal member with approved applications (principal only)	Absolute Number	5%	10%
4. Improve After-Enrollment Services	No. of retirees availing of post-membership services	Absolute Number	5%	16,592 (ID Renewal & Re-stamping)
	Average Number of post enrollment services availed of per retiree	Average Number of post enrollment services availed of per retiree	5%	2

Learning and Growth

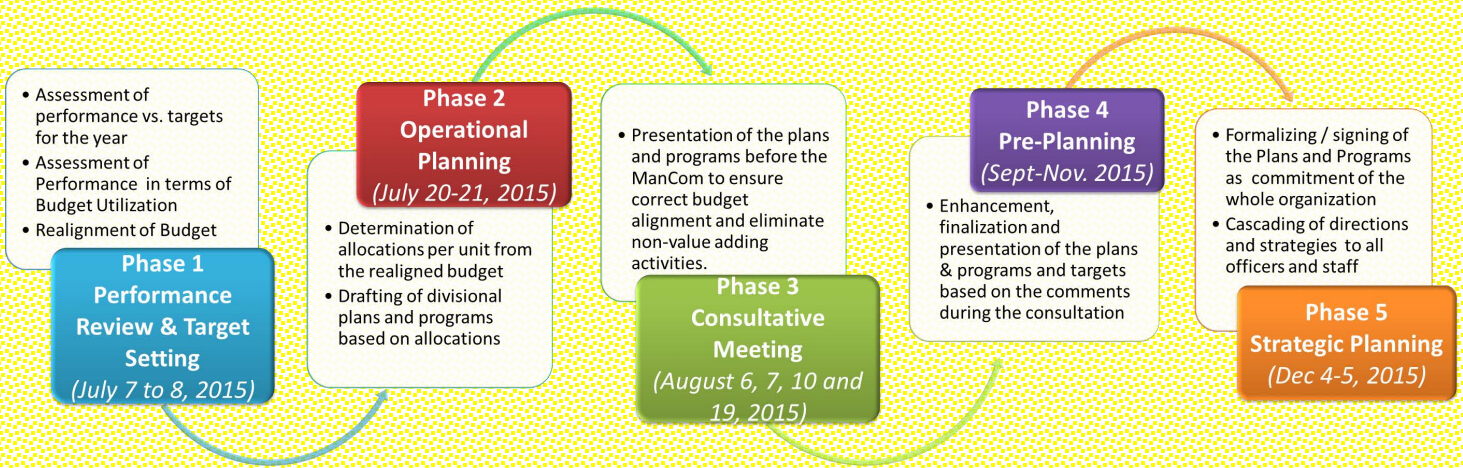
05

Strategic Objective	Strategic Measure	Formula	Weight	2015 Target
1. Quality Management System	ISO 9001 Accreditation	All or nothing	10%	ISO Certification all sites all processes
3. Improve Competency of the Workforce	Development of Board-approved Competency Framework	All or nothing	5%	Submission of Competency Framework and Tables not later than December 2015

2015 Strategies and Activities

Sound strategies are product of sound planning. In 2015, PRA introduced an enhanced strategic planning (StratPlan) facilitated by the Corporate Planning Division, as illustrated below. The aim is to enhance the divisional plans and programs aligned with the targets. We have also tried to address the consistency of these programs and projects with the DBM's Public Expenditure Management and Public Financial Man-

agement Reforms with objectives of: *spending within means, spending on the right priorities and spending with value for money.* The Budget Preparation/Planning was done using the Medium Term Expenditure Framework (MTEF), wherein Fiscal Space is determined as the available allocation for the key programs to be implemented for FY 2016, and the Forward Estimates for the ongoing programs.



Participants listened attentively to Ms. Thea A. Vasquez, Budget Officer III, while she explains the how-to's of the fiscal space and forward estimates during the budget realignment.



(Above) Ms. Elma Corbeta of the Cebu Satellite Office defending why the "Satellite Dream City" is the best city for retirees.



(Left) Outputs of different groups in the activity entitled "We Built this City" during the Operational Planning Session.

Ms. Annalyn A. Eria, Division Chief-Processing, presenting before the Management Committee (*ManCom*), the Plans and Programs of the Processing Division for FY 2016 during the Consultation Phase of the Strategic Planning.



(Above) Phase 5 participants waved goodbye to the two-day strategic planning session held at the BSP Convention Center, Los Banos Laguna, on December 4 to 5, 2015

(Left) Mr. John Oliver Q. Sanota, OIC Corporate Planning Division, expressing thanks for the cooperation of the participants in the whole strategic planning process.

On a macro level, PRA continued its marketing activities, obtaining double of its target for local and international promotional campaigns for 2015, an achieved commitment in the 2015 Marketing Plan.

Along the way, PRA's marketing efforts strengthened the Authority's partnership with other government agencies, local government units and other partners in the retirement industry. Complete list of marketing activities conducted is disclosed as *Appendix D*.

SOUTH KOREA—PRA participated as exhibitor in the Korea Emigration and Investment Fair, March 26 to 31, 2015



PASAY CITY – The Authority conducted a special briefing on the retirement program at the Chinese Investors' Special Session arranged by, Ms. Christine Dela Cruz, *Philippine Commercial Attache in Beijing*, at the Manila FAME event on March 15, 2015.



PASAY CITY— PRA Marketing Staff, Ms. Geraldine Agustin, explains the retirement program to potential marketers at the Philippine Franchise Association's (PFA) Franchise Expo on June 12-14, 2015 at the SMX Convention Center, Pasay City.



NAGOYA, JAPAN - PRA delegates, Ms. Noehl D . Bautista, *Marketing Manager* (center) and Ms. Divina O. Hernandez, *Planning Officer III* (left) , together with promotional interpreter, Ms. Takae Suzuki (right) on the last day of the Welfare 2015 Exhibit in coordination with the Japan Long Stay Foundation, May 20-24, 2015



CEBU CITY – PRA Marketing Manager, Ms. Noehl Bautista in a brief meeting with Ms. Adela Avila-Kono, accessibility specialist and expert. Ms. Avila-Kono advocates barrier-free tourism for persons with disability and the elderly.



MAKATI CITY— Philippine Retirement Authority (PRA) in partnership with Green Lime Events and Enervon Prime organized the very first lifestyle expo to congregate and honor the Philippine based retirees. Dubbed as "Manila's 1st Retiree Lifestyle Expo '15", the event was held from May 27-28 at Glorietta Activity Center, Palm Drive, Makati City.



TALISAY CITY, NEGROS OCCIDENTAL – (Right) Ms. Noehl Bautista, *Marketing Manager*, and Mr. Orlando Habitan, *Resident Retiree Servicing Department Manager*, lead the turnover of a PRA banner to *Talisay City Mayor*, Hon. Eric M. Saratan, M.D.

(Below) Agnes Pajilan, *Planning Officer II* (left) and Mr. Pete S. Del Espiritu OIC-Servicing Division (right), also joined as PRA resource speakers in the Seminar Workshop PRA conducted on the Integration of Retirees in the Community. Talisay City envisions itself as one of the leading retirement destinations in the Philippines by 2020.



HAGUE, THE NETHERLANDS – General Manager Valentino L. Cabansag and Marketing Manager Ms. Noehl Bautista together with *Philippine Ambassador to The Hague*, H.E. Jaime Victor Ledda and other Philippine Embassy Officials, during their courtesy call and meeting before PRA’s participation at the 50 Plus Beurs in Utrecht, The Netherlands on September 15-19, 2015.



PASAY CITY – The Authority, led by General Manager Valentino L. Cabansag, was among the sponsors at the 10th Ambassadors, Consuls General and Tourism Directors Tour (ACGTDT) held at the Malacañan Palace in Manila and at the Sofitel Philippine Plaza in Pasay City. The event was attended by over 500 Filipino Americans and other mainstream Americans.



LAS VEGAS, USA — Mr. Mervin Magbuhat, OIC for Client Relations, Ms. Loreto Morgia, Chief for Ads and Promos, and Ms Eleanor Palima, Chief of Staff, conducted a site visit to one of the active living/retirement villages and nursing homes in Las Vegas in conjunction with their participation at the International Living’s Fast Track Your Retirement Overseas Conference on September 25-27, 2015.



TOKYO, JAPAN – General Manager Valentino L. Cabansag smiles with *Tourism Promotions Board (TPB) Chief Operating Officer*, Hon. Domingo Ramon “Chikoy” Enerio and *DOT Market Development Group for English as a Second Language (ESL) Chief*, Ms. Renee Marie Reyes against the most photographed backdrop at the Philippine Booth during the JATA Tourism Expo last September 20-24, 2015.



SEOUL, SOUTH KOREA – One of PRA's promotional assistants explains the retirement program to potential Korean retirees at the Korea Emigration and Investment Fair in Seoul, South Korea last October 2-4, 2015.



TAIPEI, TAIWAN – General Manager Valentino L. Cabansag attended the Taipei International Travel Fair (TIF) as a VIP Guest and joined the former Vice President of Taiwan, Ms. Lu Hsiu-lien on stage during the event's opening night.



TOKYO, JAPAN – Mr. Nazareth delas Alas assisted by one of the interpreters hired by the Authority during the Long Stay Fair held at the Tokyo Big Sight, in Tokyo, Japan on November 21, 2015.



DAVAO CITY— Mr. John Oliver Q. Sanota, OIC Corporate Planning speaks before the participants in the "Going Global: The Philippine Retirement and Medical Tourism Conference" of the Canadian Chamber of Commerce of the Philippines held at the Seda Abreeza Davao Hotel, Davao City, on September 29, 2015. PRA also participated as sponsor/ exhibitor in the said event.



PRA also recognized the contributions of our satellite offices in the fulfillment of the vision. Aside from their usual function in the pre-processing of SRRV, we also increased their involvement in different promotional activities. When we promote the Philippines as a retirement haven, we try to promote it as a whole. We understand that there will be no better ambassadors for other regions and places in the country than those who could speak better of them— their beauty, lan-

guages, culture & tradition. They are no other than our satellite officers.

In 2015, we tried to synchronize the activities of the satellites with that of the Head Office (HO). We aim for quality yet faster service in PRA-HO, and so with the SOs. That is why in 2015, we designated an acting supervisor based in HO to facilitate a fast and reliable delivery of services of our SOs.

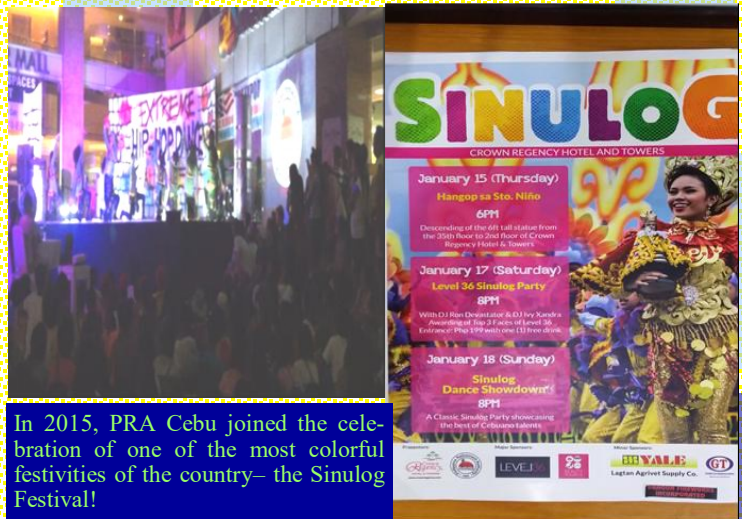
OLONGAPO CITY - *Olongapo City Mayor*, Hon. Rolan C. Paulino (center) joins Ms. Noehl Bautista, *Marketing Manager*(third from left), Ms. Scarlet Lachica, *OIC-Subic Satellite Office* (second from right), and other PRA marketing staff after the Veterans of Foreign Wars (VFW) Beach Bash Grand Parade on February 7, 2015.



Launching of AMONSAGANA - a premier retirement village in Balamban, Cebu., where PRA GM Cabansag served as a keynote Speaker.



In 2015, PRA Cebu joined the celebration of one of the most colorful festivities of the country– the Sinulog Festival!



Ms. Elma Corbeta of the PRA-Cebu has been one of resource speakers during the CEBU PROPERTY SUMMIT organized by Lamudi Philippines at Radisson Blu Hotel



On an organizational level, PRA takes on efforts to gain total stakeholders' satisfaction by promoting quality and productivity in all its services. In 2015, PRA institutionalized the establishment of Quality Management System certifiable to ISO 9001:2008 Standards. Our processes, whether they are core, support or management processes, need to be at par with the

international standards in terms of quality.

We also take pride in improving our post-membership services in 2015. We add to the array of these services, the PhilHealth insurance coverage of our retiree-members and the use of the VIP Lounge in the MIAA for retirees who go in and out of the country.



(Left) Ms. Ilonah Rose P. Ebo, Board Secretary, walks the DAP Assessors through the processes of the Office of the Board Secretary during the Initial Gap Assessment, the initial stage in the establishment of Quality Management System.

(Right) Standing while amazed are the DAP assessors with some PRA employees with Mr. Manuel Asuncion, HRMO III (seated), explains the training calendar in his computer.



PRA forged ties with PhilHealth for the health coverage of PRA retirees

Padilla (3rd from right) and Atienza (3rd from left) present the signed MoU to the public. Also in photo are (L-R): PRA Department Managers Noehl D. Bautista and Orlando H. Habitan, PhilHealth Executive Vice President – Chief Operating Officer Ramon F. Aristoza Jr. and Senior Vice President and Chief Legal Executive Atty. Edgar Julio S. Asuncion.



(Above) The PRA QMS Core Team during one of the Technical Guidance Sessions for the establishment of QMS certifiable to ISO 9001:2008.

(Below) The Quality Management Representative (QMR), Ms, Irma S. Lappay, and the Deputy QMR, Mr. Philip John B. Moreno during the writeshop on Quality Policy and Process Map.



Social Dynamics: In 2015, the Authority sponsored 11 golf tournaments participated by Japanese, Korean and Filipino businessmen and golf enthusiasts.



Competent people coupled with harmonious internal relationship will bring about a competent organization. That is why in 2015, PRA continued investing in people's competencies thru trainings, seminars and other capability and camaraderie

-building activities . The breakdown of trainings/ seminars and other activities for the PRA employees both in-house and outside conducted and being participated by various employees, is disclosed as Appendix E.

PRA TEAMBUILDING ACTIVITY

Bright smiles for a bright day as PRA employees gathered for this PRA family picture taken at Cocohills Resort in Bauan, Batangas , on May 8-9, 2015. The activity was filled with fun as employees participate in relay games and team competitions.



PRA SALU-SALO

Last December 07, 2015 PRA employees gathered for a Salu-salo, a small celebration for birthday employees of the month where PRA family enjoys meal together.



INDEPENDENCE DAY CELEBRATION

Admin Support Division rendering a musical number entitled " Bayan Ko" during the Independence Day Celebration on June 11, 2015. With the theme "Filipino Pride and Freedom", other departments also gave their most patriotic dance choral, declamation performances.



SEMINAR ON THE VARIOUS PROTECTION OF WOMEN AND CHILDREN

Atty. Olga Gonzales lectured on the Various Laws on the Protection of Women and Children during the Monday Flag ceremony last December 21, 2015 . Salient features of the laws such as Anti-VAWC, Anti-Sexual Harassment and Anti-Human Trafficking Law were presented and discussed with the PRA employees as part of the GAD awareness program.



CHRISTMAS PARTY GAMES

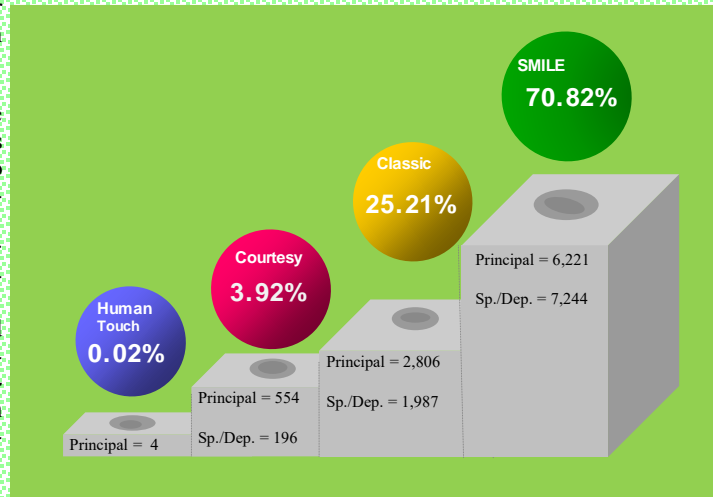
Last December 22, 2015, before the Christmas break begins, employees from each division lined up for fun and participated in the Pocket Relay .





The SRRV Metrics 2015

In the 2010 approved Product Mix Strategy, PRA had streamlined, categorized and labelled the SRRV visa products as follows: **SMILE** wherein the visa deposit is simply deposited for end of term obligations, **Classic** wherein the visa deposit is convertible to property investments, **Courtesy** for former Philippines-based diplomats and former Filipinos, and **Human Touch** for ailing retiree-applicants.



former Filipinos.

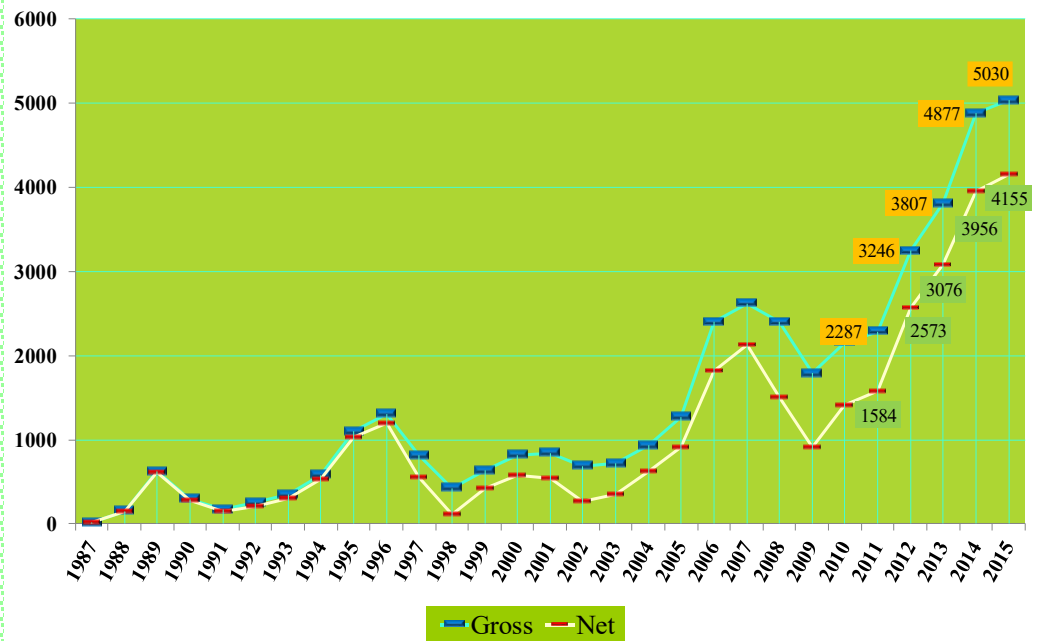
The strategy has multiple impacts to the economy: enrolment and retention of SRRV members translate directly to the Authority's finances, open gateway to partnerships and collaborations, and intensify the socio-economic impact thru **forex generation & increased investment & spending** of the foreign retirees in our country and employment generation.

In May 2011, PRA launched its rationalized and rebranded product line. SRRV was simplified and had brought the visa deposits and the various fees to the lowest levels possible. The deposit levels are such that the enrollee members are assured of a minimum amount of funds for their end of term obligations.

PRA also expanded the eligibility coverage of the SRRV Courtesy as a come-on to expats and

Also, PRA remits dividends to the National Treasury and pay taxes to help the government in its projects and programs. With this, PRA has substantially contributed to two of the 5 Key Result Areas (KRA) under the President's Social Contract: **1) rapid, inclusive and sustained economic growth; and 2) poverty reduction and empowerment of the poor and vulnerable.**

Enrolment of Foreign Retirees
1987 to December 2015



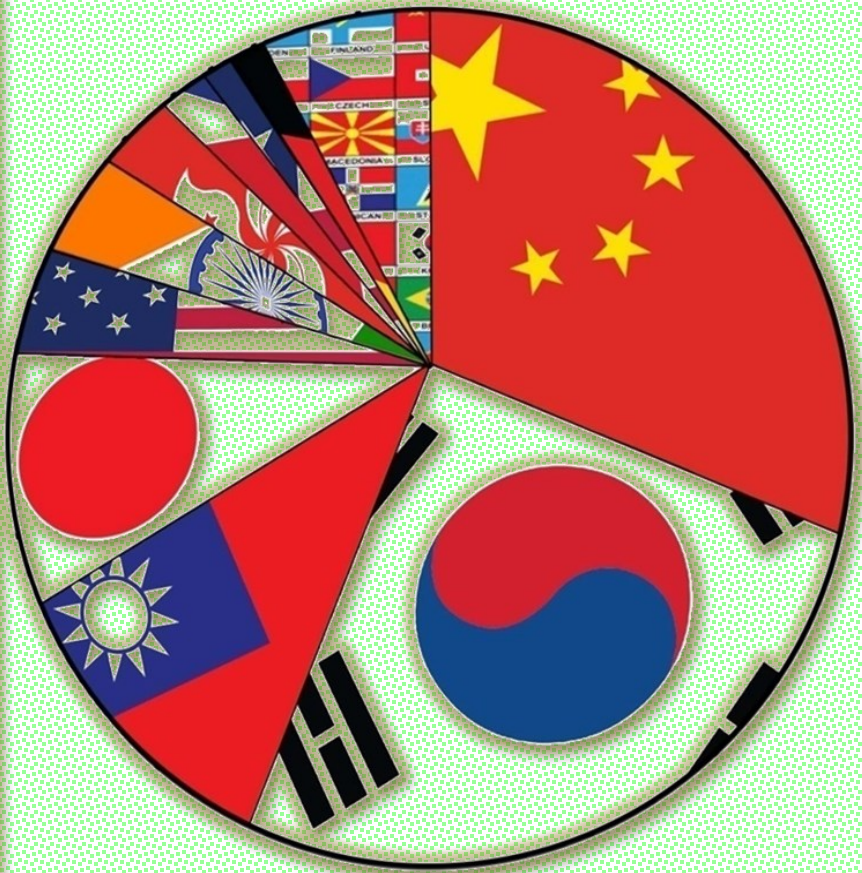
The effectiveness of the Product mix is basically measured by the generated net enrolment of the Authority (*Gross Enrolment-Cancellation*). Different promotional activities and tools are established to increase enrolment, while after-enrolment services are provided to members to lessen cancellations.

The SRRV answers the need of foreign nationals and expats for a second home after retirement. It serves as a gateway for their

dream retirement through SRRV's permanent residency benefit with multiple-entry privileges in the Philippines.

Choosing Philippines for retirement of different nationalities around the globe had been increasing every year as our promotions and advertisements also went global. Chinese PROC, had been on top in terms of SRRV Holders with 34.52% of the cumulative enrolment, followed by Korean nationals and the Chinese-Taiwan. Please see image below for other nationalities who chose our country as a retirement destination.

Top 10 Nationalities		Percentage
1	Chinese (PROC)	34.52%
2	Korean	21.43%
3	ROC (Taiwan)	9.55%
4	Japanese	7.53%
5	Indian	6.05%
6	American	4.77%
7	Chinese (HK)	2.82%
8	British	2.23%
9	German	1.31%
10	Australian	1.20%
	Others	8.59%
	TOTAL	100%



The Foreign Exchange Contribution

The development and promotion of a certain country as a retirement haven had been a proven and tested concept known globally resulting in the intensified inflow of foreign exchange to the country concerned. If developed and sustained, with PRA as the channel, it can become a socio-economic boomerang hitting not just the foreign exchange but also foreign investments, employment opportunity generation, local entrepreneurship, tourism promotion, and intensified PPPs especially in sectors like real estate and hospitality.

In PRA, foreign exchange contribution refers to the dollar deposits of our retirees in order to be issued with the SRRV. It includes those deposits of the principal members and their dependents and

spouse.

As the enrolment increases, the amount of foreign exchange generated also increases. From 1987 to December 2015, PRA had accumulated an amount of **\$488,372,500** from visa deposits alone.

Currently, PRA can readily determine its contribution to the country's foreign exchange simply by the SRRV deposits made by foreign retirees upon enrolment. Later in 2015, a project Retiree Expenditure Measurement System (*REMS*) had been institutionalized to account even the contribution to forex made by

foreign retirees after enrolling them to the SRRV program, as this area remained vague even in the previous years. REMS aims to measure the relevance of the program in terms of foreign retirees' spending while they are in the Philippines. With its implementa-

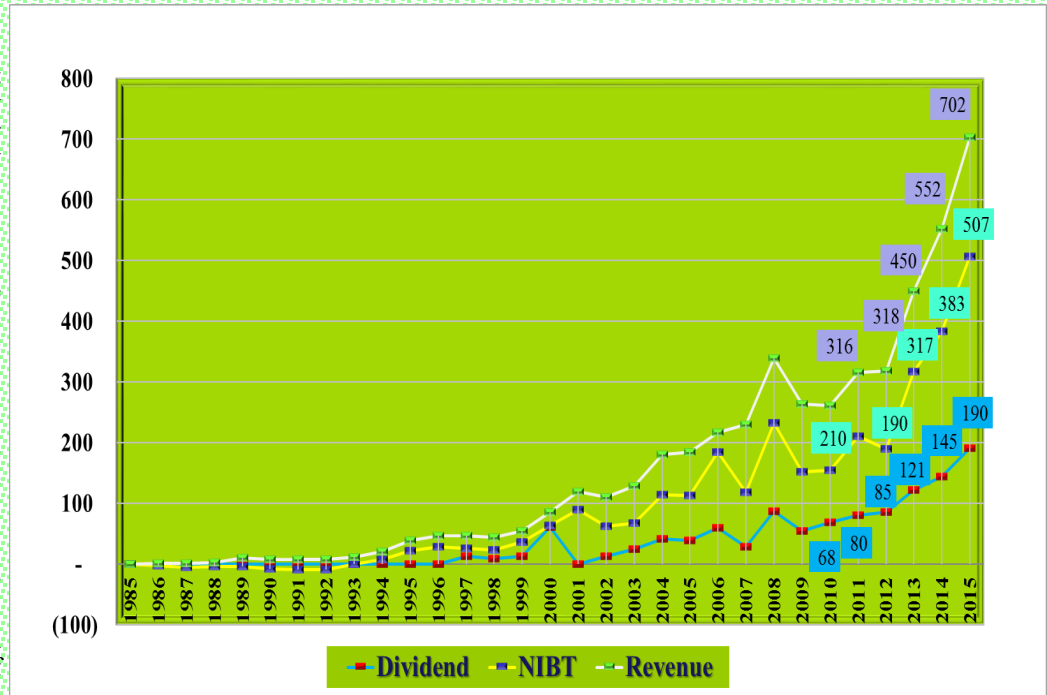
tion in 2016, PRA can get to the bottom of the totality of the economic impact of the program on a national scale.

Financial Metrics 2015

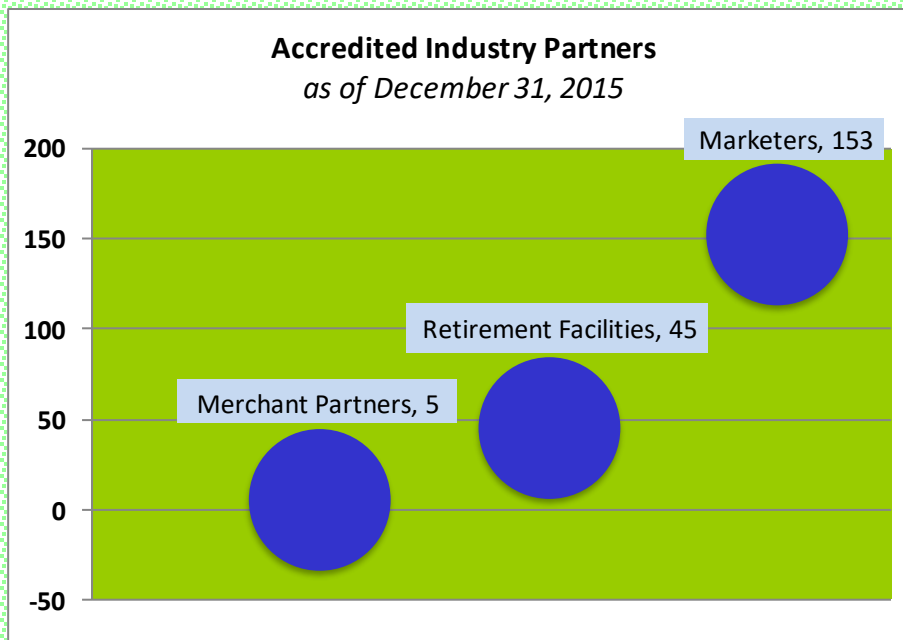
PRA is a self-sustaining government corporation since 1994. Being one made us get by without government subsidy, financially sustain our operations from our own fruits of toil, and regularly remits dividends to the country's coffers.

In 2015, we highlight our dividend remittance being the all-time high amount forwarded to the national treasury. Percentage increase reached 31% from previous year.

The upward trajectory of the Revenue from Operations and the Net Income Before Tax reflects PRA's way of maximizing its resources to support the strategic directions of the Authority. NIBT improved the 2014's PHP383 million to PHP507 million in 2015 showing a growth rate of 32%.



Accreditation Metrics



Aside from attracting foreign retirees to our shores through the SRRV, the Authority also aims to have an integrated retirement program by continuously expanding ties with the private sector through accrediting their business establishments as "merchant partners" or "marketers" and dwelling facilities be it active or assisted-living, as accredited "retirement facilities". These businesses were able to promote and offer their products and services to our retirees by becoming PRA's industry partners.

The PRA Marketers, directly help in the enrolment of retirees, while Accredited Merchant Partners and Retirement Facilities contribute to retention of retiree-members in the program.

As of December 31, 2015, PRA was able to accredit 153 marketers, 45 facilities and 5 merchants.

Scorecard Accomplishment

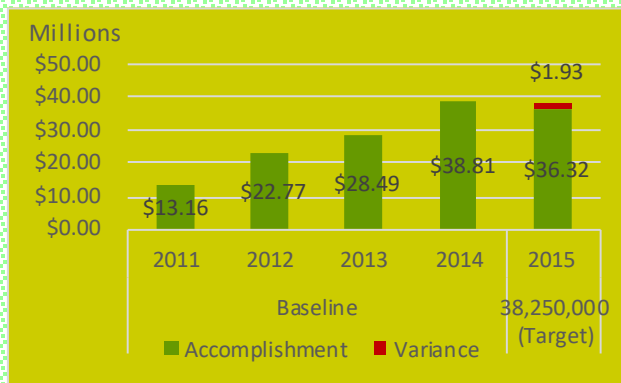
On October 12, 2015, the Philippine Retirement Authority and the Governance Commission for GOCCs (GCG) entered into a Performance Agreement where targets for CY 2015 were renegotiated. It was during that negotiation that our vision statement and the breakthrough results had been identified, i.e., to enroll 100,000 retirees by 2020. How PRA will be able to get there is simply laid-down in the strategy map and translated into a Performance Scorecard.

Social Impact Perspective

The Social Impact Perspective is the area in the scorecard is the national and community-wide impact of the PRA's products and services. The strategic objective (SO) under this perspective is to generate Investment and Foreign Exchange measured in terms of the annual foreign currency generated from visa deposit and the establishment of a system to measure the actual spending of our retiree members. Accomplishment for these two (2) strategic measures are as follows:

1. Annual Foreign Currency Generated from Visa Deposit

Visa Deposits generated for the year amounted to **\$36,323,000.00** or 95% of the target.



2. Establishment a system that will monitor the actual expenditures of retirees

As of December 2015, the Concept Paper including the project work plan and timeline of implementation in 2016 has already been approved by the Management. It is called the Retiree-Expenditure Measurement System or REMS (see Appendix F). From the results of its implementation, a baseline of actual amount of retirees' consumption can be established, which is the scorecard's commitment for 2016. Target establishment of baseline is on October 2016. This will then serve as the basis for 2017 targets since this will become a regular activity of the Authority.

Stakeholders' Perspective

The stakeholders' perspective of the scorecard refers to the performance of the PRA in relation with these stakeholders. Viewpoint use is that of the stakeholder, especially on the ability of PRA to help them do their business. This perspective has four (4) strategic objectives:

- To have retirees with excellent PRA experience
- To improve customer loyalty
- To increase total enrollees; and
- Increase number and productivity of industry numbers

The PRA scorecard has one strategic measure for each of the SO under this perspective. Accomplishments in 2015 for each measure are as follows:

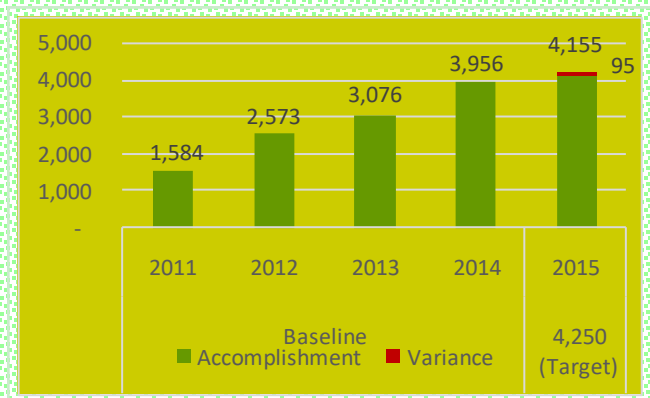
1. Customer Satisfaction

A Customer Satisfaction Rating of at least "Satisfactory" or its equivalent percentage must be achieved at the end of the 2015. However, due to constraints with the budget which made it hard to undertake the project at the given timeline, PRA decided not to push through with it in 2015 but on the next year instead. As of December, PRA had already forwarded the project to the Bids and Awards Committee.

2. Retention Rate for the Year

In terms of improving customer loyalty through retention of retirees, PRA placed a ceiling on the allowed maximum number of withdrawals or cancellation from the program. The target for the year is to achieve > 97% retention of all those cumulatively enrolled in the program from the previous calendar year. Although PRA exceeded the allowed pre-determined number of withdrawals for the year, still the Authority achieved 96.85% retention rate.

3. Net Enrolment for the Year



The Net Enrolment (NE) is computed as Total Gross Enrolment for the year less Total Cancellation. In 2015, PRA achieved an NE of 4,155 retirees which is 97% of the target. It is 5% higher than 2014.

4. Number of Principal Retirees Enrolled by Marketers at the end of the Rating Period

Marketers are one of the valued partners of PRA. They conduct their businesses with us by co-promoting the SRRV to potential retirees. In return, PRA reward their every successful recruit with \$500. No wonder, this marketers program of PRA bring in more than 80% of the total enrolment in the past 3 years.

In a marketer's perspective, every retiree enrolled is a measurement of how efficient and effective PRA is, in terms of sustaining a healthy business with them. That is why, PRA included them in the scorecard. The strategic objective is to increase the number and productivity of industry partners like them. In 2015, their productivity is measured through the number of principal retirees enrolled by these marketers at the end of the rating period. Target number to be enrolled is 2,000 principal retirees, and they were able to bring in 2,070.

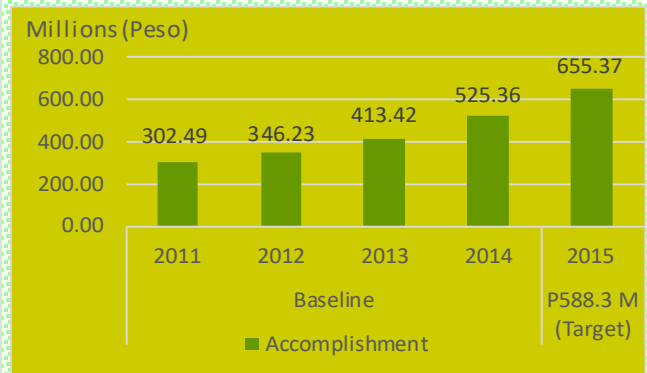


Finance Perspective

Finance perspective tries to cover the performance of the organization in terms of how well it manages to improve its finances. Two SOs are identified: maintain financial viability, and maximize revenues.

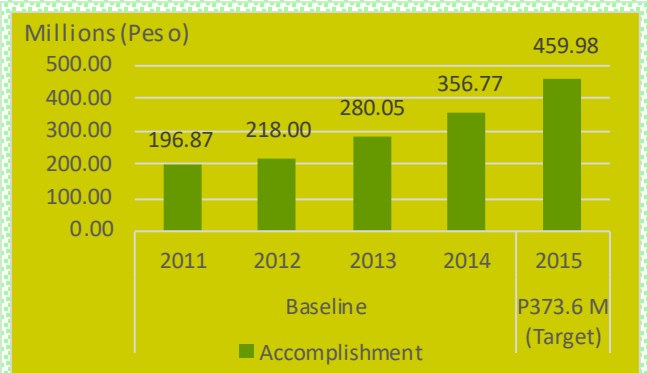
1. Revenue Generated

The strategic measure in order to maintain the financial viability of PRA is through the revenue generated from operations. In 2015, PRA exceeded the target and achieve a perfect score for this measure.



2. Net Operating Income (NOI)

The Net Operating income is the strategic measure on determining how well PRA maximized its revenues. In 2015, PRA also exceeded the target NOI.



Internal Process Perspective

PRA's operations include marketing and processing of the SRRV and provision of post-enrolment services to enrolled retirees. These processes are the focus areas of the scorecard's internal process perspective. It has two SOs:

- To improve marketing process
- To improve after-enrolment services

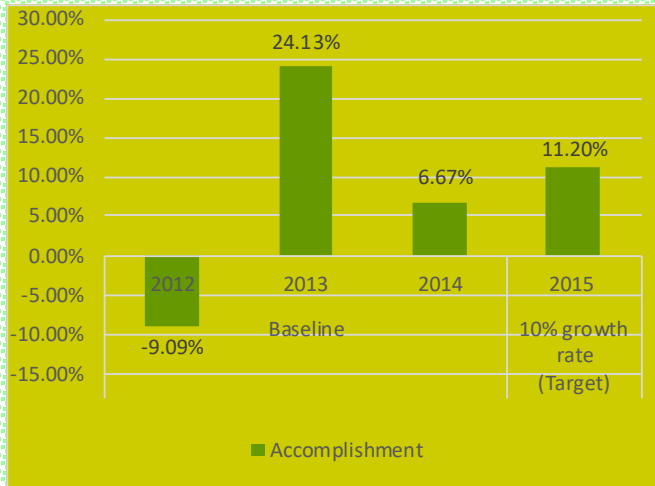
Each SO has two strategic measures. 2015 accomplishment for each are as follows:

1. Percentage of Marketing and Promotion Activities Conducted based on the Approved Marketing Plan

As of December 2015, PRA was able to conduct 96.52% of marketing and promotion activities reflected in the approved PPMP of the Marketing Department. The score is equivalent to the average activities conducted by its two divisions: The Ads and Promo Division and the Client Relations and Program Development Division

2. Percentage Increase in the Number of Walk-in Principal Members with Approved Application

PRA must excel in increasing the number of enrolment of walk-in applicants. In 2015 actual accomplishment exceeded the target: enrolled walk-in applicants spelled an 11.20% growth rate.



3. Number of Retirees Availing of Post-enrolment Services

PRA makes it a point to strengthen the bond between the Authority and its retirees after their successful enlistment to the program. PRA assists them in their various needs to make their lives easier in Philippines. These services include but are not limited to: ID renewal and re-stamping, securing permits and various government documents, Social Dynamic activities, conversion of visa deposits into active investments, etc. In 2015, total number of retirees who were assisted by PRA in ID renewal and re-stamping reached 20, 793 or 25.32% above target.



4. Number of New Services/Programs/Activities Introduced or launched

Two new services were launched/ introduced in 2015: The Phil-Health for PRA retiree-members and the use of the VIP Lounge in the Manila International Airport Authority (MIAA).

To expand the after-membership services PRA provides its retiree-members, the Authority takes on efforts to afford them the Philhealth Insurance Coverage and privileges, we too, Filipinos enjoy, except that theirs will be on a different rate. The coverage transcends to the principals’ dependents and spouses as beneficiaries of the Philhealth. This new service was launched in December 2015.

PRA retirees also started using the VIP Lounge at the MIAA starting the second half of 2015, a service that we find essential to seniors and elderly.

PRA aligns its human/people, organizational and information

Learning and Growth Perspective

capital to improve and support the key processes. The Learning and Growth Perspective covers two strategic objectives : to establish Quality Management System (QMS) and to improve the competency of the workforce.

1. ISO 9001 Accreditation

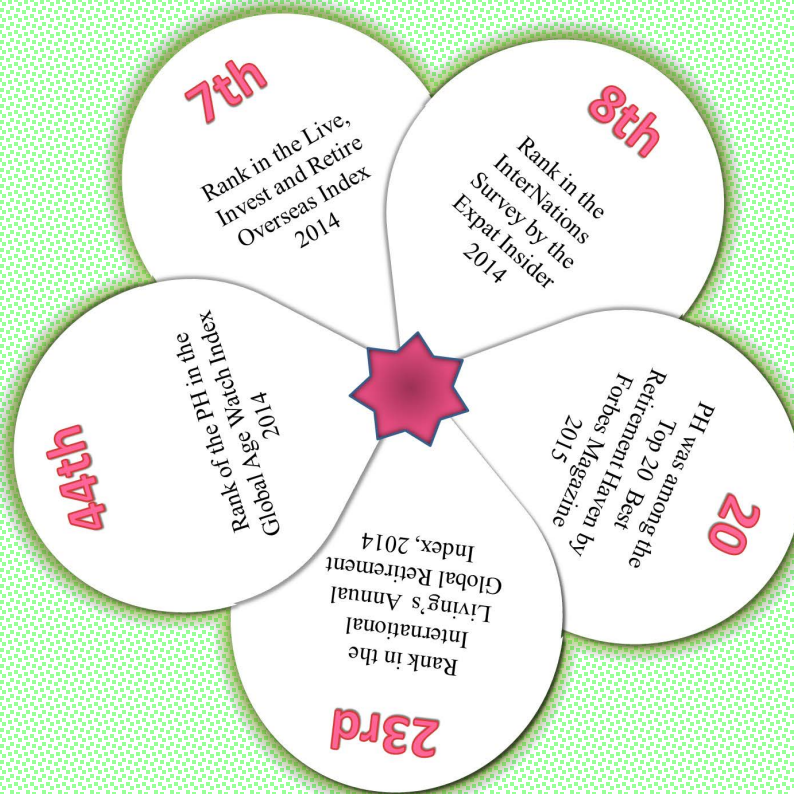
In 2015, PRA entered into a contract with the Development Academy of the Philippines for the establishment of QMS in PRA certifiable to ISO 9001:2008. After a series of Technical Guidance Sessions and the required trainings and writeshops, PRA was able to come up with Board-approved QMS Manual and QMS Mandatory Procedures. The PRA QMS Core Team had started cascading these QMS documents at the last stretch of 2015.

2. Development of Board-approved Competency Framework

The Competency Framework, one of the key result areas in 2015 scorecard, is essentially a structured process to help the Human Resource (*the workforce*) identify and develop their core competencies (*skills, behavior, attributes*) in relation to the Authority's long-term goals and success. Establishment of a competency framework for PRA will strengthen every aspect of its HR management—from recruitment and selection, training and professional development, performance management, rewards and compensation, to succession planning. It will focus on organizational development, re-establishment of principles, processes & methods of competency assessment, and profiling. The framework will present a competency model with a set of standards and metrics for resource allocation and development of HR systems and processes.

As of December 2015, the required competency framework and tables had been approved and submitted to the GCC as part of our compliance with the Performance Agreement.

Philippines: Internationally-recognized Retirement Haven



Different international indices have recognized the potential of the Philippines in the field of global retirement. Publications and the web had been very generous to provide international retirees the best options to spend their senior years. They compare different retiree-friendly countries in terms of various criterion and features being looked up for by retirees.

The above illustration shows the Philippines as a blooming flower in the eyes of global retirees. The more petals we add, the more pleasing and fragrant our country becomes. In 2015, we have 5 petals from all retirement indices released in the same year.

1. The International Living's Global Retirement Index

The International Living (IL), a publication detailing the best places in the world to live, retire, travel and invest, has been helping people overseas to decide on international migration for more than 30 years.

The IL is the one behind the Annual Global Retirement Index, where they compare, contrast, rank, and rate the world's best retirement havens. The options they provide are valuable inputs to retirees whether they may prefer to live better or for less overseas.

In the 2015 release, the Philippine ranked 23rd in the IL's Worlds, best Places to Retire in 2015, with a rate of 76.3%, scoring high in Cost of Living and Fitting-in criteria.

2. The Expat Insider's The InterNations Survey

Expat Insider is the biggest expat survey worldwide by number of participants. In the survey conducted in 2014, 14,000 participants from over 160 countries were asked about their life abroad touching various areas of expat living. From that, Philippines surfaced at the 7th spot.

3. HelpAge International's Global Age Watch Index

The Global Age Watch Index was developed by the HelpAge International from the international data from various known organizations (UNDESA, WB, WHO, ILO, UNESCO and Gallup World Pool). It benefited from a global advisory panel of more than 40 independent experts in ageing, health, social protection and human development. These factors had brought the Philippines in the global ranking of 44th.

4. Forbes' 20 Best Foreign Retirement Havens for 2015

Forbes identified 20 appealing foreign countries for at least some American retirees of which Philippines was included. Factors considered include cost of living, taxes, medical care, climate, security & crime, cultural attractions and hospitality, and ease of return to the US.

5. The Live, Invest and Retire Overseas Index 2014

Dumaguete City had raised the Philippines to a higher notch being the 7th among the 21 Best Places to Retire Overseas in the 2014 Live, Invest and Retire Overseas Index.

Annual Audit Report for CY 2015

EXECUTIVE SUMMARY

Introduction

The Philippine Retirement Authority (PRA), with business address at 29th floor, Citibank Tower, 8741 Paseo de Roxas, Makati City is a 100 per cent Government-Owned and Controlled Corporation (GOCC) domiciled in the Republic of the Philippines.

Executive Order (EO) No. 1037 dated July 4, 1985 created the Philippine Retirement Park System, a corporate body tasked primarily to develop and promote the Philippines as a retirement haven providing the best quality of life for targeted retirees. It also aims to accelerate the social economic development of the country and at the same time strengthen its foreign exchange position. To fully reflect the nature of its operation, the Board of Trustees (BOT), in its Resolution No. 003 dated July 30, 1985, approved the change of its corporate name to Philippine Retirement Authority. On August 31, 2001, through Executive Order No. 26, the control and supervision of PRA was transferred from the Office of the President to the Board of Investments.

PRA is mandated to attract foreign nationals and former Filipino citizens to retire, invest and reside in the Philippines, with a vision to make our country a leading and significant destination for the world's retirees, seniors and elderly. PRA recommends to the Bureau of Immigration (BI), the issuance of Special Resident Retirees Visa (SRRV), a multiple-entry visa with limited tax-free privileges, to all qualified foreigners and former Filipinos who wish to make the Philippines their second home.

With the passing of Tourism Act of 2009, also known as Republic Act (RA) No. 9593 on May 12, 2009, the supervision of PRA was transferred from the Department of Trade and Industry (DTI) to the Department of Tourism (DOT). Formal turn-over ceremony was held at Malacañang Palace on March 10, 2010.

On October 22, 2010, in its 245th meeting, the BOT approved the new product offerings described and labeled as Simplified and Simple, Marketing-oriented, Integrat-

ed, Long-lasting and Efficient (SMILE), Diplomats Retirement Product, Long-stay Trial Retirement Product, Human Touch, Retirement Areas Deemed as Retirement-Friendly (RADAR), Services with a Smile (SWS), Deposit Management and Allied Services and Retirement Public-Private Partnerships. After the implementing guidelines have been published by the University of the Philippines (UP) Law Center, the SMILE program was officially launched on May 5, 2011.

On June 8, 2011, a Memorandum of Agreement (MOA) was entered into by and between PRA and the Development Bank of the Philippines (DBP), making DBP as the only authorized depository bank for the requisite visa deposit of the member-retirees.

Although the member-retirees prior to the implementation of the SMILE program were enrolled under a different product portfolio, their contracts continue to be honored and they were given the option through migration to the SMILE program.

At the beginning of the year, PRA has a total of 27,815 retiree-members, 14,374 of whom are principals and the remaining 13,441 are dependents. However, a cumulative total of 5,031 have enrolled during the year while 875 members have cancelled their membership, leaving a total of 31,971 members as at the end of Calendar Year (CY) 2015, consisting of 16,402 principal and 15,569 dependents.

As at year end, there were 173 accredited marketers that contributed significantly to the total enrollment of 2,069 members as against the 429 walk-in clients during the year. PRA had likewise accredited retirement facilities and merchant partners composed of, among others, hotels, medical and dental facilities, travel agencies, resorts, car rentals, spa and wellness services and remittance service. Upon accreditation, these merchant partners are tapped to service the needs of PRA's member-retirees nationwide. Aside from DBP, PRA still maintains partnership with nine private banks which service the investment requirement of member-retirees who enrolled prior to the imple-



mentation of the SMILE program.

For purposes of bringing PRA closer to its member-retirees as well as stimulating local governments and private sectors to be actively involved in the retirement industry, PRA established satellite offices in the following areas:

Area	Address
Baguio	PRA Baguio Satellite Office Unit 8 Building 3, Nevada Square #2 Loakan Road, Baguio City
Clark-Subic	Clark-Subic Satellite Office Phil-Kansai Building #363 First Street, Balibago, Angeles City
Cebu	202 Club Ultima Tower II Crown Regency Hotel & Towns Jones Avenue, Cebu City
Davao	2 nd Floor The Royal Mandaya Hotel J. Palma Gil St. Davao City

The present PRA administration is headed by General Manager Valentino L. Cabansag while the policy-making body of PRA is the BOT, composed of the ex-officio Members listed below:

Position	Name	Representative/ Alternate
Chairman	Hon. Ramon R. Jimenez, Jr. Secretary, DOT	Hon. Eugene T. Kaw Assistant Secretary and Chief of Staff, OSEC DOT
Vice-Chairman	Hon. Valentino L. Cabansag General Manager, PRA	
Members	Hon. Ronaldo A. Geron Commissioner, BI	Hon. Estanislao R. Canta Acting Chief, Board of Special Inquiry, BI
	Hon. Amando M. Tetangco, Jr. Governor, Bangko Sentral ng Pilipinas BSP	Hon. Vicente S. Aquino Deputy Governor BSP

Scope of Audit

The audit covered the operations of PRA for CY 2015. The audit involved performing procedures to obtain accounts and audit evidence about the amounts and disclosures in the financial statements. The procedures selected depended on the auditor's judgment, including the assessment of the risks and material misstatement of the financial statements, whether due to fraud or error.

Financial Highlights

Presented below is the comparative financial position and performance of PRA for CYs 2015 and 2014. (in Philippine Peso)

Financial Position	2015	2014	Increase (Decrease)
Assets	₱9,358,254,115	₱6,854,974,631	₱2,503,279,484
Liabilities	8,222,922,559	5,781,897,672	2,441,024,887
Equity	₱1,135,331,556	₱1,073,076,959	₱62,254,597
Financial Performance			
Revenue	₱702,310,648	₱552,038,533	₱150,272,115
Expenses	321,620,867	262,069,791	59,551,076
Excess of Revenue over Expenses	₱380,689,781	₱289,968,742	₱90,721,039

For the year 2015, PRA generated a gross income of ₱616.010 million and incurred operating expenses of ₱195.396 million. Net income after tax reached ₱380.690 million as at year end.

PRA contributed to the financial coffers of the government through the payment of income taxes amounting to ₱126.224 million and the remittance of dividends to the National Treasury amounting to ₱190.441 million.

Also, PRA accumulated a total amount of US\$84.336 million visa deposits placed at DBP by the end of the year, of pre-termination caused by the discontinuance of Special Resident Retiree's Visa applications, cancellation of membership from the program, withdrawals of excess deposits and conversions into active investments.

State Auditor's Report on the Financial Statements

The Auditor rendered an *unqualified opinion* on the fairness of the presentation of the financial statements of the PRA for the year.

Summary of Significant Audit Observations and Recommendations

- The reliability, accuracy, and fair presentation of the Cash in Bank account as of December 31, 2015 could not be ascertained due to long, unidentified and/or undocumented bank transactions aggregating ₱19.329 million contrary to Section 10 of the Framework for the Preparation and Presentation of Financial Statements.

We recommended that Management:

- Pursue and exert efforts to reconcile the long unaccounted/unidentified bank transactions in order

to adjust to the appropriate account the Other Deferred Credits and Deferred Charges accounts previously recorded;

- b. Adjust immediately the accounts affected for any items already identified and/or documented so as not to keep the balance of unreconciled items accumulating;
 - c. Institute measures to avoid if not eliminate the recurrence of reconciling items of these nature;
 - d. Coordinate with the bank and other concerned officers for the proper and speedy reconciliation process; and
 - e. Explain the recorded variance of ₱0.879 million.
2. The existence, completeness, accuracy and reliability of the Property, Plant and Equipment (PPE) account with a balance of ₱31.004 million as of December 31, 2015 could not be ascertained due to incomplete inventory taking, absence of inventory reports, inability to reclassify construction in progress account, non-issuance of Acknowledgment Receipt of Equipment (ARE) to some employees who are in actual custody of the equipment/property and non-maintenance of subsidiary ledgers.

We recommended that Management:

- a. Maintain subsidiary ledgers for all PPEs;
 - b. Complete the inventory taking of all PRA properties and come up with inventory reports disclosing, among others, the location of the property, the persons accountable or in possession of the property, status and/or condition;
 - c. Prepare report and reconcile the balances of the PPE reported in the books of PRA based on the results of the inventory taking;
 - d. Justify why no inventory taking was conducted at Subic/Clark and Baguio Satellites Offices and the delayed completion of inventory taking at the Head Office as well as the non-submission of the inventory report as of December 31, 2015 for PPEs located at Davao and Cebu Satellite Offices;
 - e. Reclassify the CIP to the appropriate PPE account and provide depreciation thereafter; and
 - f. Issue Acknowledgment Receipt of Equipment to persons who are in actual custody of the equipment.
3. The Marketers' Fee reflected in the PRA's Financial Statements (FS) for CY 2015 amounting to ₱45.362

million did not disclose the accurate amount of Marketers' Fee amounting to ₱48.787 million thus, resulted in the understatement of Expenses and Accounts Payable by ₱3.425 million and overstatement of Income by the same amount contrary to Section 10, Paragraph 38 of the Framework for the Preparation and Presentation of the Financial Statements.

We recommended that Management:

- a. Reconcile the amount of discrepancy between the amount that have been reported as expenditures against the amount reported in the financial statements as of December 31, 2015; and
- b. Provide the necessary adjustment so as to reflect the accurate amount of Marketers' Fee, Income and Accounts Payable accounts in the FS.

Summary of Total Suspensions, Disallowances, and Charges as of Year-End:

Audit Action	Beginning Balance, January 1, 2015	Issued	Settled	Ending Balance, December 31, 2015
Suspensions	₱ 930,744.89	0	₱ 5,000.00	₱ 925,744.89
Disallowances	7,158,246.83	0	1,545,171.75	5,613,075.08
Charges	0	0	0	0
Total	₱8,088,991.72	0	₱1,550,171.75	₱6,538,819.97

Status of Implementation of Prior Year's Audit Recommendations

Of the 32 prior year's audit recommendations embodied in the previous year's Annual Audit Report, 16 were fully implemented, 11 were partially implemented and five were not implemented.

Independent Auditor's Report



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City, Philippines

INDEPENDENT AUDITOR'S REPORT

THE BOARD OF TRUSTEES

Philippine Retirement Authority
29th floor Citibank Tower
Paseo de Roxas, Makati City

Report on the Financial Statements

We have audited the accompanying financial statements of the Philippine Retirement Authority (PRA), which comprise the Balance Sheet as of December 31, 2015, and the Statement of Revenue and Expenditures, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a Summary of Significant Accounting Policies and Other Explanatory Information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Unqualified Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Philippine Retirement Authority as of December 31, 2015, and its financial performance and its cash flow for the year then ended in accordance with State accounting principles.

*Report on Supplementary Information Required Under
BIR Revenue Regulation 15-2010*

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties, and license fees paid or accrued during the taxable year described in Note 18 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 supplementary information is the responsibility of Management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

COMMISSION ON AUDIT


ROSALIE D. SARMIENTO
OIC - Supervising Auditor
Cluster 6, Corporate Government Sector

June 3, 2016

Management Responsibility for Financial Statement

June 2, 2016

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

*The management of **PHILIPPINE RETIREMENT AUTHORITY** is responsible for information and representations contained in the accompanying Balance Sheet as of December 31, 2015, and the Statement of Revenue and Expenditures, Government Equity, and Cash Flow for the year ended. The financial statements have been prepared in conformity with generally accepted state accounting principles and reflect amounts that are based on best estimates and informed judgment of management with an appropriate consideration to materiality.*

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguard against unauthorized use or disposition and liabilities are recognized.

(Sgd.) EVELYN R. TANSIONGCO, CPA
Division Chief
Financial Management Division

(Sgd.) VALENTINO L. CABANSAG
General Manager / CEO
Philippine Retirement Authority

Balance Sheet

As of December 31, 2015

(With corresponding figures for CY 2014)
(in Philippine Peso)

	Notes	2015	2014
ASSETS			
<u>Current Assets</u>			
Cash and Cash Equivalents	2a & 3	1,176,800,163	931,490,414
Receivables - Net	2b & 4	21,312,522	22,960,992
Interests Receivable		551,114	892,446
Due from Officers/Employees-Current		215	0
Investments - Current	5	165,602,000	190,602,000
Inventories	6	6,564,528	5,336,599
Prepaid Expenses	7	3,146,425	2,837,366
Other Current Assets	8	3,983,126	1,632,095
		1,377,960,093	1,155,751,912
<u>Non-Current Assets</u>			
Cash Deposits from Retirees - Restricted	17	7,920,782,982	5,646,762,221
Receivables-Disallowances and Charges		11,554,324	1,335,721
Due from Officers/Employees-Prior Years		1,072,349	1,072,349
Investments - Non Current	5	14,840,770	14,998,012
Property, Plant and Equipment - Net	2c & 9	31,004,470	34,354,850
Other Receivables	10	732,364	392,803
Other Assets		306,763	306,763
		7,980,294,022	5,699,222,719
TOTAL ASSETS		9,358,254,115	6,854,974,631
LIABILITIES AND EQUITY			
<u>Current Liabilities</u>			
Inter-Agency Payables	11	37,099,727	17,527,308
Deferred Credits	12	614,300	73,183,431
Accounts Payable		33,224,094	24,151,931
Due to Officers and Employees		9,410,803	3,621,393
DBP Consolidated Interest Payable		30,903,619	16,167,889
Other Payables		427,580	475,338
Due to Other Funds		18,511	8,161
Dividends Payable		190,440,943	0
Trust Liabilities	17	7,920,782,982	5,646,762,221
LIABILITIES		8,222,922,559	5,781,897,672
Paid-In Capital/Equity		63,217,089	63,217,089
Retained Earnings		1,072,114,467	1,009,859,870
EQUITY		1,135,331,556	1,073,076,959
TOTAL LIABILITIES AND EQUITY		9,358,254,115	6,854,974,631

The notes on pages 10 to 18 form part of these financial statements.

Statement of Revenue and Expenditures For the Year Ended December 31, 2015

(With corresponding figures for CY 2014)
(in Philippine Peso)

	Notes	2015	2014
INCOME			
<u>Income from Operations:</u>	2d		
Management/Conversion Fees		130,430,558	129,888,295
Passport and Visa Application Fees		251,504,052	184,503,512
Annual PRA Fees		175,310,962	130,650,982
Harmonization Fees		8,180,269	3,688,834
Inspection/Visitorial Fees		38,216,663	22,982,897
ID/Registration Fees		8,556,306	4,265,275
Affiliation/Accreditation Fees		1,790,058	2,218,662
Processing/Service Fees		1,209,860	892,251
Other Service Income		811,302	922,801
Gross Income		616,010,030	480,013,509
OPERATING EXPENSES			
Personal Services		45,438,954	36,610,015
Maintenance and Other Operating Expenses		149,951,985	131,973,071
Financial Expenses - Bank Charges		5,457	5,758
Total Operating Expenses		195,396,396	168,588,844
TOTAL OPERATING INCOME		420,613,634	311,424,665
<u>Other Income (Expense):</u>			
Interest Income - Regular		10,708,641	10,146,503
Interest Income - DBP Dollar Placements		39,230,054	35,021,438
Miscellaneous Income		134,602	178,491
Gain / (Loss) on Foreign Exchange	14	36,227,321	26,678,592
NET INCOME BEFORE TAX		506,914,252	383,449,689
Income Tax		(126,224,471)	(93,480,947)
NET INCOME AFTER TAX		380,689,781	289,968,742

The notes on pages 10 to 18 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended December 31, 2015

(With corresponding figures for CY 2014)
(in Philippine Peso)

	Note	Paid-in-capital/ Equity	Retained Earnings	Total Equity
Balance, January 1, 2014		63,217,089	719,891,128	783,108,217
Net Income for the FY 2014		0	289,968,742	289,968,742
Balance, December 31, 2014		63,217,089	1,009,859,870	1,073,076,959
Net Income for the FY 2015			380,689,781	380,689,781
Dividend on FY 2014 Net Income			(144,501,127)	(144,501,127)
Dividend on FY 2015 Net Income			(190,440,942)	(190,440,942)
Other Adjustments			16,506,885	16,506,885
Balance-As of December 31, 2015		63,217,089	1,072,114,467	1,135,331,556

The notes on pages 10 to 18 form part of these financial statements.

Cash Flow Statement

For the Year Ended December 31, 2015

(With corresponding figures for CY 2014)
(in Philippine Peso)

	Notes	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Collection of Income		524,079,461	362,826,147
Collection of Receivables		13,024,972	127,395,366
Transfer of Consolidated Interest (PRA's Share)		53,965,784	51,173,239
Gain on Foreign Exchange	14	41,619,104	55,428,014
Interest Income		11,216,958	9,510,263
Receipt of Trust Liabilities		643,732	415,841
Refund of Cash Advances		807,611	1,036,363
Receipt of Payables		11,211,109	11,646,037
Payment of Guaranty Deposits		(2,376,030)	(109,187)
Purchase of Office Supplies		(2,587,487)	(1,882,010)
Release of Cash Advances (Due from Officers/Employees)		(4,705,599)	(5,044,444)
Payment of Payables		(18,642,331)	(33,496,501)
Loss on Foreign Exchange	14	(5,896,435)	(28,943,910)
Payment of Income Tax		(97,376,416)	(84,817,285)
Payment of Operating Expenses		(159,183,057)	(145,893,354)
Refund of Deferred Credits		(1,417,871)	(1,303,466)
Payment of Dividends	13	(144,501,127)	(121,307,471)
Net Cash Provided by Operating Activities		219,882,378	196,633,642
CASH FLOWS FROM INVESTING ACTIVITIES			
Maturity of Investment in Bonds and High Yield Deposits		25,495,128	980,656
Purchase of Property, Plant and Equipment:			
Library Books		(2,457)	(310)
Furniture and Fixtures			(59,500)
Office Equipment		(27,600)	(71,558)
Other Machineries & Equipment			(84,036)
Information Technology (IT) Equipment and Software		(37,700)	(860,720)
Net Cash Provided by/(Used in) Investing Activities		25,427,371	(95,468)
NET INCREASE IN CASH AND CASH EQUIVALENTS		245,309,749	196,538,174
CASH AND CASH EQUIVALENTS, BEGINNING		931,490,414	734,952,240
CASH AND CASH EQUIVALENTS, ENDING	2a & 3	1,176,800,163	931,490,414

The notes on pages 10 to 18 form part of these financial statements.

Notes to Financial Statements

(All amounts in Philippine Pesos unless otherwise stated)

1. General Information

Executive Order No. 1037 dated July 4, 1985 created the Philippine Retirement Park System, a corporate body tasked primarily to develop and promote the Philippines as a retirement haven providing the best quality of life for targeted retirees. It also aims to accelerate the social economic development of the country and at the same time strengthen its foreign exchange position.

To fully reflect the nature of its operation, the Board of Trustees, in its Resolution No. 003 dated July 30, 1985, approved the change of its corporate name to Philippine Retirement Authority.

PRA recommends to the Bureau of Immigration, the issuance of Special Resident Retirees Visa, a special non-immigrant visa with multiple/indefinite entry privileges, to qualified foreigners and former Filipino citizens who wish to make the Philippines their second home.

With the passage of Tourism Act of 2009, also known as Republic Act No. 9593 last May 12, 2009, the supervision of PRA was transferred from the Department of Trade and Industry to the Department of Tourism. Formal turn-over ceremony was held at the Malacañang Palace on March 10, 2010.

On October 22, 2010, in its 245th meeting, the BOT approved the new product offerings described and labeled as SMILE, Diplomats Retirement Product, Long-stay Trial Retirement Product, Human Touch, RADAR, Services with a Smile, Deposit Management and Allied Services and Retirement Public-Private Partnerships as embodied under Board Resolution No. 24 series of 2010.

The SMILE retirement product requires a visa deposit of US\$20,000 for retiree-applicants who are 35 years old and above while the required visa deposit for Ambassadors, members of international organizations and former Filipino citizens are maintained at US\$1,500. Such deposits are non-withdrawable except when the retiree leaves and/or withdraws from the program or in case of end-of-term obligations.

On June 8, 2011, a Memorandum of Agreement (MOA) was entered into by and between PRA and the Development Bank of the Philippines, making DBP as one of the authorized depository banks for the requisite visa deposit of the retiree-members under the new product offerings. Under the MOA, the DBP shall accept the requisite deposit for the account of PRA primarily from foreign currency funds inwardly remitted to the Philippines by the qualified retiree for which a certification of inward remittance for each retiree shall be issued to and submitted by DBP to PRA.

2. Summary of Significant Accounting Policies

a. Cash and Cash Equivalents

The Authority considers all highly liquid debt instruments with maturity of three months or less from date of acquisition to be cash equivalents.

b. Provision for Doubtful Accounts

This is provided for visitorial fees receivable, pertaining to accounts of member-retirees considered delinquent, that is, if it is outstanding/unpaid for three consecutive years. Provision was also made for the following accounts:

b.1. Accreditation fee of marketers who opted not to renew their accreditation with PRA after the one-year expiration period; and

b.2. Management fees from Bankwise, Inc. (Note 10).

c. Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation. Significant improvements and renewals, including incidental costs are capitalized. The straight-line method of depreciation is being used based on the estimated life of the assets less 10 percent residual/scrap value in accordance with the New Government Accounting System (NGAS) as follows:

d. Income Recognition

The modified accrual method is used in recognizing income.

<u>Assets</u>	<u>Estimated Life</u>
Office Building	30 years
Office Equipment	5 years
Furniture and Fixture	10 years
IT and Software	5 years
Library Books	7 years
Other Equipment	10 years
Motor vehicle	7 years

3. Cash and Cash Equivalents

This account consists of:

	2015	2014
Cash in Bank-Forex, Time Deposits	₱1,112,879,609	₱860,398,581
Cash in Bank-Forex, Savings Account LBP	25,570,780	47,871,221
Cash in Bank-Peso, Current Account LBP	4,061,837	3,015,097
Cash in Bank-Peso, Current Account LBP Cebu Branch	5,248,733	3,646,846
Cash - Collecting Officers	1,034,736	2,302,329
Cash in Bank-Forex, Savings Account LBP Cebu Branch	10,800,546	4,621,776
Cash in Bank-Forex, Savings Account DBP	17,091,106	9,256,217
Petty Cash Fund	0	274,227
Cash in Bank-Peso, Savings Account DBP	112,816	104,120
	₱1,176,800,163	₱931,490,414

4. Receivables - Net

	2015	2014
<u>Current Assets:</u>		
Visitorial Fees (VF)	₱ 36,872,212	₱ 36,824,900
Management Fees	9,944,974	11,448,651
Harmonization Fees	459,468	459,468
Allowance for Doubtful Accounts-VF	(25,964,132)	(25,772,027)
	₱ 21,312,522	₱22,960,992

This account consists of:

a. Visitorial Fees Receivable represents annual fees due from retirees who have converted their requisite deposits into active investments, at the rates ranging from 0.5 to 1.5 per cent of the total amount invested.

Since May 29, 2006, the Special Reduced Deposit (SRD) scheme was implemented, modifying the amount of required deposits as well as the visitorial fees for the conversion of deposits into active investments. The minimum qualifying deposit and visitorial fee rates applicable to those enrolled

under the SRD Program for the principal retiree-applicant are as follows:

<u>Age</u>	<u>From</u>	<u>To</u>
35 to 49 years old	US\$ 75,000	US\$ 50,000
50 years old and above	US\$ 50,000	US\$ 20,000

Minimum Qualifying Deposit:

Visitorial Fees:

<u>Amount of Deposit Converted</u>	<u>Annual VF Collected</u>
US\$ 20,000	US\$ 500 or its peso equivalent
US\$ 50,000	US\$ 750 or its peso equivalent

Retirees who had been delinquent in paying VF for more than three years were sent collection letters/notices. After

three notices and the retirees still failed to pay, they were placed on a watchlist published in three leading newspapers of general circulation. If after publication, the retirees remain delinquent, their SRRVs shall be recommended to the BI for cancellation and the receivables shall be recommended to be written off from the books of accounts subject to the approval by the PRA Board of Trustees.

In the implementation of the new product offerings described in the General Information portion, the SRD Program is now referred to as "Classic".

b. Management Fees Receivable represents accruals of estimated fees due from PRA accredited banks equivalent to 1.5 per cent of the outstanding daily balance of retirees' deposits.

c. Harmonization Fees are amounts collected pursuant to Board Resolution No. 92 series of 2007, otherwise known as the harmonization of the old and new schemes of deposit. A management fee of 1.5 per cent per annum is levied by PRA on the retiree in consideration for the release of the amounts in excess of the required deposit under the modified SRD scheme.

5. Investments

This account represents investments in Treasury and retail bonds, US Dollar and Peso high yield deposit. The other non-current investments in stocks are in golf shares of Baguio Country Club Corporation.

Details are as follows:

	2015	2014
Current		
Investments in High Yield Deposit	₱165,602,000	₱190,602,000
	165,602,000	190,602,000
Non-Current		
Held to Maturity- Investment in Bonds (Long Term)	14,240,770	14,398,012
Investment in Stocks	600,000	600,000
	₱14,840,770	₱14,998,012

6. Inventories

This account consists of:

	2015	2014
Office Supplies Inventory	₱6,480,978	₱5,253,049
Other Office Supplies	83,550	83,550
	₱6,564,528	₱5,336,599

7. Prepaid Expenses

This account consists of:

	2015	2014
Deferred Charges		
Other Prepaid Expenses	₱2,671,769	₱2,362,710
	474,656	474,656
	₱3,146,425	₱2,837,366

8. Other Current Assets

This account consists of guaranty deposits or amounts deposited with service providers/suppliers to guarantee performance of obligation, such as Philippine Long Distance Telecommunication (PLDT), lessors of the buildings occupied by the Authority, and others. However, major composition of the guaranty deposits was paid to METROBANK-TRUST BANKING GROUP representing Security deposit (three monthly rentals).

9. Property, Plant and Equipment - Net

The details of the account are shown below:

	Land and Building	Office/IT Equipment, Furniture, Fixtures and Others	Motor Vehicles	Total
Cost:				
Balance, January 1, 2015	₱56,503,341	₱28,641,476	₱13,789,398	₱98,934,215
Additions	0	73,757	0	73,757
Balance, December 31, 2015	56,503,341	28,715,233	13,789,398	99,007,972
Accumulated Depreciation:				
Balance, January 1, 2015	32,605,901	20,551,590	11,421,874	64,579,365
Additions	1,468,775	1,403,989	551,373	3,424,137
Balance, December 31, 2015	34,074,676	21,955,579	11,973,247	68,003,502
Net Book Value, Dec. 31, 2015	22,428,665	6,759,654	1,816,151	31,004,470
Net Book Value, Dec. 31, 2014	₱23,897,440	₱8,089,886	₱2,367,524	₱34,354,850

10. Other Receivables

The account represents outstanding receivables from marketers and resigned officers and employees presented in the Balance Sheet as part of the Current Assets in previous years, subsequently classified as Non-Current Assets and now pro-

vided with sufficient allowance for doubtful accounts.

Comparative figures are as follows:

	2015	2014
Management Fees Receivable	P 3,450,556	P 3,450,556
Other Receivables	1,811,165	1,471,604
Allowance for Doubtful Accounts	(4,529,357)	(4,529,357)
	P 732,364	P 392,803

Management Fees Receivable represents dues from Bankwise, Inc., whose Memorandum of Agreement was terminated on April 10, 2006. Collection had already been endorsed to the Office of the Government Corporate Counsel (OGCC) for legal action considering that Bankwise, Inc. is now under receivership by the Philippine Deposit Insurance Corporation (PDIC).

11. Inter-Agency Payables

The account represents the amount of last quarter income tax payable to the Bureau of Internal Revenue (BIR), and The Bureau of Immigration for the processing of retiree's visa, required to be paid in 2015 and 2016, consisting of:

	2015	2014
Due to BIR	P36,525,879	P17,011,193
Due to Other NGAs	573,848	516,115
	P37,099,727	P17,527,308

12. Deferred Credits

This account consists of:

	2015	2014
Application Fees	P 0	P 49,499,750
Visitorial Fees	0	16,142,185
Harmonization Fees	0	4,634,100
Retirees' ID	0	2,725,952
Other Deferred Credits	178,444	178,444
Bids and Awards	3,000	3,000
Bank Credits for Reconciliation	432,856	0
	P 614,300	P 73,183,431

13. Dividends Payable

Fifty per cent of the current net earnings after tax is deducti-

ble from retained earnings and payable to the Bureau of the Treasury (BTr) pursuant to Republic Act No. 7656. Dividend for FY 2014 in the amount of P144,501,127.18 was paid on April 10, 2015. Dividend for the FY 2015 was recorded in the books in the amount of P190,440,942.91, and was paid on April 8, 2016.

14. Gain/(Loss) on Foreign Exchange

Philippine Accounting Standard/International Accounting Standard (PAS/IAS) 21 requires companies to determine their functional currency and measure their financial position and results of operation in that currency. The Bureau of Internal Revenue, on the other hand, requires the computation of tax liabilities based on transactions measured in Philippine peso, hence this entry, which represents the net amount of gains and losses from dollar denominated deposits, investments and other transactions of the Authority.

15. Membership Dues and Contributions to Organizations

The account represents payment of condominium and canteen dues for the 29th floor PRA-owned unit at the Citibank Tower and membership dues to the Baguio Country Club Corporation.

16. Interest Payable

This is the "Funds Held in Trust – DBP Consolidated Interest Payable" account which represents retirees' share in the interest income arising from visa deposits held in trust for the account of the retiree-members.

17. Cash Deposits from Retirees – Restricted / Funds Held in Trust – Retirees' Deposits (Trust Liabilities)

These accounts represent the member's required visa deposit held in trust for the account of the retiree-members, placed in Negotiable Certificate of Time Deposit (NCTD) with the DBP in the name of PRA, with maturity of one year. The balances of these accounts are equivalent to the amount of the members' required visa deposits, net of withdrawals due to early termination for reasons of discontinuance of their SRRV application, cancellation of membership from the program, withdrawal of excess deposit or conversion of deposit into active investment.

As at year-end, the details of the account balances are as follows:

Cash Deposits	P7,920,782,982
Funds Held in Trust-Retirees' Deposit	7,920,782,982
Difference	P 0

18. Requirements under Revenue Regulations (RR) 15-2010

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

a. Withholding Taxes:

The details of total withholding taxes for the year ended December 31, 2015 are as follows:

Compensation and Benefits	₱ 4,249,061.88
Creditable (Expanded)	5,621,349.90
Creditable (VAT)	3,564,519.82
TOTAL	₱ 13,434,931.60

Income Tax Return:

The details of total Income Tax Return for the year ended December 31, 2015 are as follows:

QUARTER	INCOME TAX EXPENSE	CREDITABLE withholding tax on Management Fees	NET AMT. PAID	CHECK#	DATE
1st Qtr	₱ 26,328,192.12	₱ 2,627,459.89	₱ 23,700,732.23	2656102	29-May-15
2nd Qtr	31,308,240.84	2,420,506.75	28,887,734.09	2657560	28-Aug-15
3rd Qtr	32,062,158.18	2,020,989.88	30,041,168.30	2686911	27-Nov-15
4th Qtr	36,525,879.77	3,230,824.77	33,295,055.00	2716018	14-Apr-16
	₱126,224,470.91	₱10,299,781.29	₱115,924,689.62		



Appendix A. The Philippine Retirement and Ageing Agenda (By: Veredigno P. Atienza)

On behalf of PRA Chairman Sec Ramon R Jimenez Jr. let me greet each one of you "Good Morning" and "Welcome to the 2nd Philippine Retirement and Healthcare Summit". I also congratulate the RHC and its mother chambers of commerce.

For my talk today, allow me to give an overview of the Philippine retirement and aging agenda, at least from a PRA point of view. The valuable inputs of the other conference speakers especially those from other countries will help PRA get a broader understanding of what our retirement and aging agenda should be.

SRRV

Let me quickly introduce the main product of the Philippine Retirement Authority: the Special Resident Retiree's Visa.

PRA's SRRV retirement visa provides indefinite stay, multiple entry-exit privileges, various forms of assistance in dealing with government and private entities, certain exemptions from import duties, discounts from merchant partners. The SRRV has no minimum stay requirement per year, and allows dependents to study without obtaining a student study permit. And for those who can provide value-added to a Philippine company, PRA will assist the said SRRV-holder to obtain an Alien Employment Permit.

Embassy Visit

Before I proceed further let me mention that somewhere in the first six months of my term as PRA General Manager/Vice Chairman (I joined PRA on Sept 20, 2010), I paid a courtesy call on the embassy of one of PRA's major sources of retirement migrants and holders of our Special Resident Retiree's Visa.

After the initial pleasantries, I told the said Embassy official: "Sir, in all humility, can I ask you to suggest ways so PRA can make a breakthrough in the Philippine retirement migration program? He said, "Let me summarize the issues as briefly as possible. First, there is the perception of the Philippines as being unsafe. Second, there is a language gap: not every foreigner speaks English; you need more translators in the Philippines. Third, there is truly very little awareness in the world about the Philippines as a retirement destination." Have I made a dent on his three issues? Not much I suppose. The first two issues involving security and languages are not within our PRA mandate, the third issue involving publicity will take some time to address.

PRA Performance

Those three issues notwithstanding, PRA enroll-

ment reached 2,287 in 2011, exceeding 2010, and in Jan. - May 2012 gross enrollment is up by 53.75% vs Jan. - May 2011 (1,107 vs 720). NIAT for 2011 exceeded 2010 by 50%. Dividends turned over in person to President Aquino in Malacanang last January 2011 were PHP 140,553,454.21 and in February 2012 were PHP106, 190,300.73. Not bad at all for a company with less than a hundred employees: 38 regular and 49 contractual employees, replaced or reassigned every 3-6 months. Not bad at all for a company with only a million dollars annual budget to implement a global marketing agenda. Not bad at all for a global company without a single international office.

What has PRA done to produce its performance to date and what will it do in the future? What is PRA's roadmap for the future?

Sharpening our Vision and Mission

Among many things, PRA has revised its vision and mission, to attain sharper customer focus and to be more realistic about PRA's resources.

Our sharper Vision is: to make the Philippines a leading and significant retirement destination for the world's retirees, seniors, and elderly. To achieve our vision, we have this down-to-earth Mission: to continually develop PRA's capabilities, as well as to enable and empower all government and private sector entities that are potentially relevant to the Philippine retirement migration agenda.

Developing the SRRV Product Line

In May 2011, PRA launched its rationalized and rebranded product line. We have simplified the visa product line, and have brought the visa deposits and the various fees to the lowest levels possible. The deposit levels are such that our enrollee members are assured of a minimum amount of funds for their end of term obligations. The deposits remain to be theirs although managed and consolidated by PRA. The PRA visa products are among the most competitive in the world, without putting the Filipino taxpayer in harm's way.

Based on the product mix strategy approved by the PRA Board last October 22, 2010, we have streamlined, categorized and labelled our SRRV visa products as follows: Human Touch SRRV for ailing applicants, Courtesy SRRV for former Philippines-based diplomats and former Filipinos, Classics SRRV whereby the visa deposit is convertible to property investments, and Smile SRRV whereby the visa deposit is simply deposited for end of term obligations. Smile SRRV is our number one visa product now.

Each product offers immense exciting opportunities, and we will be making announcements about product innovations right after the next PRA Board meeting. Courtesy SRRV and Human Touch SRRV have barely scratched the surface of their markets, while Smile SRRV and Classics SRRV can benefit from greater marketing focus and increased marketing expenditures.

We are also aware of the discounts competition among retirement destinations. Presently, we are in the process of updating the incentives initiated as early as 1985 to make them competitive for 2012. As for discounts from our merchant partners, they should be made more aware of the behavior of our competitors in other parts of the world.

Assessing Global Competition

We are aware of the need to compete with aggressive players like Panama, Mexico, Costa Rica, even Ecuador in the Americas, and Thailand, Malaysia, and New Zealand in the Asia-Pacific.

Panama has come up with an even more aggressive Pensionados program and Ecuador is getting rave reviews for its cost-effectiveness, great scenery, charming colonial towns. Thailand, a country that has never been colonized and yet has always been an Asian travel hub for Europeans and fellow Asians, is in the top ten of the Annual Retirement Index (ARI) of the International Living Magazine, together with Malaysia, Mexico, Panama, Costa Rica and Ecuador.

The International Living ARI rates retirement destination countries according to the following criteria: price and ease of buying real estate (15%), various benefits in entering and living in said country (20%), cost of living (20%), literacy and cultural offerings (10%), healthcare and health insurance (20%), transport and communications (5%), safety and stability (5%), temperate weather and proneness to disaster (5%).

The rankings according to the IL ARI are in turn corroborated by rankings according to the IL Quality of Life Index. I have provided copies of this speech with attachment on the IL Annual Retirement Index and Quality of Life Index.

The Philippines is shown to have poor grades according to both indices.

Focusing on Our Markets

We are seriously though modestly expanding our presence both internationally and locally. We are focusing on our natural markets, our leading source countries: our neighbors China, South Korea, and Japan. We cannot cover all the bases, and so we are picking our shots very, very carefully.

Though we are a co-convenor of the US Medicare Philippine Portability Lobby Group, naturalized Fil-Ams are not a natural market for PRA. Based on PRA data, few naturalized Fil-Ams register for an SRRV; instead, they seek Balikbayan privileges and dual citizenship. Nonetheless, we encourage naturalized Fil-Ams, Fil-Europeans, Fil-Australians et al to come and retire in the Philippines. We want all of them to bring their descendants, inlaws, constant companions, significant others, partners in life, who cannot be dual citizens or 13A or 13G visa holders, and therefore have to settle for our SRRV. The Europeans that naturalized Fil-Europeans cannot get to retire in the Philippines, Henry Schumacher will bring in, won't you Henry? I have discussed with Henry and Mark PRA-RHC business visits to the German-speaking countries of Europe.

Leveraging Tourism and Healthcare

We support and capitalize on each and every effort to promote Philippine tourism, longstay tourism, medical tourism, medical travel, and

global healthcare. The National Tourism Development Plan is a gift and booster to the retirement migration program. Each tourist and each foreign patient is a potential retiree. Each tourism cluster, each tourism development area, each tourism site, each tourism jewel, each tourism enterprise zone broadens the menu of retirement location alternatives. Similarly, each clinic, each specialty, each hospital, both government and private, each accreditation that our clinics and hospitals get, each medical concierge and each medical facilitator that drives traffic to Philippine hospitals and clinics, each medical evacuation terminal, each medicovac vehicle, and each connection to the various telemedical spines, lengthens the menu for retirement location alternatives. Along these touristic routes and telemedical spines, we encourage the development of retirement accommodations and care-related facilities.

PRA and the University of the Philippines have signed an agreement with technical provider Global Healthcare Network to make the UP Telehealth telemedicine program available to foreign retirees. PRA will also assist UP in attracting retired foreign professors from developed countries, and in attracting resources for the conversion of a portion of UP's 5,000 hectares to retirement communities for foreign professors and experts, of course also including UP Filipino professors as beneficiaries.

For PRA's present and prospective enrollees who want health insurance, Philhealth's Individual Paying Program is now available to them. PRA has accredited Manulife and has met with a few others, to make health insurance available to foreign retirees. By the way, PRA only accredits principals, never brokers and agents. As we wait for the portability of social health insurance from the US, Japan, Australia and similar developed countries, we are pushing for the advancement of Philhealth's "Center of Medical Excellence" accreditation as an international seal of quality worth being supported by the world's leading insurers.

Boosting Global Awareness

We look forward towards making the Philippine retirement migration program better known internationally. As the "It's More Fun in the Philippines" concept gets more tweets and traction, PRA will run piggyback on More Fun memes, materials and campaigns.

In our small neck of the woods, PRA advertises in broadsheets and Manila-based international mosquito publications. We avoid local and international radio and TV because we foresee media audit problems. We want to push international print advertising but they are still expensive and problematic, COA-wise. At the start of my stay in PRA, I got visits from the Economist, Le Figaro, USA Today, a few others I can't recall, even CNBC. Getting interviewed was no skin off my nose, but the interviews needed reciprocity, and needed payment of advertising in advance, contra to COA policy. For awhile, we thought that a global advertising agency with a Manila office can solve the COA advance dilemma. But since PRA does not have the advertising volume and wherewithal, our invitations to bid to Manila-based global advertising agencies got zero interest.

The happy international compromise seems to be VoicesThat-Matter.com. It is an international medium, it costs Php 684 per day, Php 28 per hour, less than 50 centavos per minute, is willing to get paid in pesos, and is not collecting payment in advance. Our PRA website is also promoting the retirement program. We are also talking to Global News Network which covers China, South Korea, Japan, Singapore, Taiwan, HongKong, Macau. But the best way still to get reputable international publicity may be to get into the good graces of International Living and similar respected international magazines. This will take awhile.

We also have to do roadshows but these have to be rifled at distinct audiences. We have long been looking at the 50plus and AARP annual events as standard mechanisms for promoting the Philippine retire-

ment agenda.

Engaging Government Partners

This talk is a good opportunity as any to thank our government partners in service, for various modes of cooperation critical to PRA's effectiveness and efficiency namely: DOT, OGCC, DTI, DFA, BI, NBI, BSP, PDIC, DBP, LBP, DOLE, CFO, DOF, DOH, DepEd, LRA, PNP, DILG, Phil Info Agency, PEZA, BOI, BCDA, the various Economic Zones. Let me also mention our fellow DOT attached agencies namely Intramuros Administration, National Parks Development, Nayong Pilipino, Duty Free ng Bayan, Philippine Scuba Diving, and TIEZA. We also mention our supervisors OES, PMS, DBM, Civil Service Commission, Career Executive Service Board, COA, and GCG.

Empowering the Philippine and Global Private Sector

To further enable and empower the private sector entities that are willing to push the retirement migration agenda, we are strengthening the following PRA mechanisms: 4-Way Good Governance, Resident Retiree Servicing Center (including the Office of Special Concerns, Social Dynamics Unit, and End-of-Term Operations Unit), Institute of Retirement Migration and Aging, Co-Investment Fund, Publication and Project Services, Retirement Franchising, Alternative Marketing, Mega-marketing, Corplan and Accreditation, IT, Marketers Development, Banking Committee, Retirement Banking, Satellite Offices.

If I may just focus on one mechanism, that is, Retirement Franchising, we are pleased to inform this Summit, hopefully not prematurely, that PRA and the Philippine Franchise Association are signing a MOA to push for franchising of established and proven local and international companies engaged in retirement and age-friendliness. We look forward to the proliferation of chains of hospitals, clinics, nursing homes, assisted-living facilities, rehab facilities, etc. Indeed, the Philippines has a unique edge in nursing care, aged care, long-term care. Franchising systems will not only diffuse standards and technologies, but will bring in warm bodies and harness where-withal. When potential retirement and care demand is transformed into effective and realistic demand, this surge of demand will be responsively met by the right supply of facilities thru direct investments, joint ventures and yes, franchising.

Empowerment should include the power to profit as well as the power to avoid losses. PRA sees itself duty-bound to keep developers and service providers from getting hurt, from losing valuable capital in ill-conceived ventures. While we encourage more investments and the development of more retirement facilities and products, we always ask the project proponents: "If you build it, who will come? Where are the warm bodies coming from?" We ask this ruefully, mindful of actual projects that did not get the full measure of their expected returns.

On a more positive note, however, we congratulate the property developers, service providers, and merchant partners that have been successful in offering a larger and more varied inventory to an increasingly global market, including retirees and near-retirees. There's money to be made from retirees, but the venturers must know how to do it.

Completing the RA Agenda: CORA, NIRA, PBRA and LIRA

At the end of the day, no PRA roadmap on retirement and aging will ever be complete unless we address the three issues cited by the Embassy official I mentioned earlier, or unless we try to help establish something even broader and bigger than issues of safety, languages, and publicity.

I refer to the need for a national integrated retirement and aging (NIRA) program for the purpose of making our Philippine society age

-friendly and aging-friendly at all levels of society. Our national agenda should go beyond attracting foreign retirees to our shores, but must make life in every locality attractive to all people of all ages, both foreign and Filipino. We must have a culture and climate of age-and-aging-friendliness. Said culture and climate will integrate all the reasons why foreigners and Filipinos would want to retire in the Philippines.

For a National Integrated Retirement and Aging Program to work, established government entities that work with retirees, seniors and elderly, both Filipino and foreign, must get together in one Council on Retirement and Aging (CORA). These are: the GSIS for government retirees, the SSS for private sector retirees, the PVAO for military Retirees, the OWWA for overseas Filipinos, the DSWD for indigent elderly, Philhealth for ailing elderly, the PRA for foreign retirees, and the partylists that represent seniors and the elderly. PRA can also represent retirees, seniors and elderly who do not have any agency to represent them, such as Balikbayan retirees, dual citizens, quota-visa retirees, 13G, and 13A visa holders ie foreigners married to Filipinos. It is estimated that there are 7,000,000 seniors in the Philippines who can provide enough scale to justify CORA and NIRA.

CORA must have an equivalent at the parish and barangay levels, where we propose a Parish and Barangay Retirement and Aging Program (PBRA), under the supervision of dioceses, parishes, barangays, and LGUs.

If we are looking for an inclusive and sustainable economic program that can deal with the country's intractables, it is PBRA. What are these long-term intractables? They are the lack of countryside and balanced development, the deplorable school dropout rate, and the wide inequality in capital and wealth.

The PBRA can promote the establishment of Retirement-and-Aging related businesses at the parishes and barangays (thus promoting countryside development), involving personnel from highly educated to lowly educated (thus promoting employment even among the school dropouts), and attracting capitalists from those with substantial means to those with barely any capital (thus promoting entrepreneurship across the great gaps of income, wealth, assets, net worth, information and connections).

At the LGU and Barangay Council levels, there are established LGU and barangay offices assigned to Seniors affairs which can be tapped. During the PRA Chairmanship of General Edgar Aglipay, PRA launched the Local Integrated Retirement Area (LIRA) concept, to secure the cooperation of the local government units and elites in cities that were labeled priority retirement areas. In our CORA/NIRA framework, LIRA can be expanded to formally include the age- and aging-friendliness agenda, and can be applied not exclusively just to priority retirement areas, but inclusively to all localities that wish to promote retirement and age friendliness.

On the Ground

On the ground, how are CORA, NIRA, PBRA, and LIRA supposed to work?

To see a sample, let us take a look at one of PRA's candidates for "Best of Radar 2012". Pardon the deluge of acronyms; RADAR stands for Retirement Areas Deemed as Retiree-friendly. We have a RADAR section in the PRA website. For 2012, Makati City is short-listed as a prime candidate for "Best of RADAR 2012".

The World Health Organization has identified eight criteria of an age-friendly city.

They are:

1. **Outdoor Spaces and Buildings** (*green, clean, pleasant, safe*)

and sufficient)

2. **Transportation** (public transport is safe, frequent, and reliable; traffic flow is well regulated; and parking and drop-offs are safe and sufficient)

3. **Housing** (sufficient and affordable)

4. **Social Participation** (events, activities, and attractions are available in convenient venues)

5. **Respect and Social Inclusion** (older people are regularly consulted and included in community activities for "families")

6. **Civic Participation & Employment** (flexible options and opportunities are available for older people i.e. training, volunteer work, and self-employment)

7. **Communication and Information** (basic and effective communication system is available, and regular information i.e. print and broadcast information and access to computers and internet can be publicly accessed)

Community and Health Services (adequate range of health and community support services are offered)

Makati City gets good grades based on the said criteria.

Addressing the Challenge

Globally, more than 600 million people are 65 years old and above. In 2011, the International Labor Organization listed Philippine wages as third cheapest in the world given purchasing power parity. We have a population at its ablest, with a median age of 22 years old. If we can use these advantages to bring SRRV enrollment to just 1 million retirees, this will bring PRA retirement migration to the economic level of OFW remittances. If PRA enrollment can hit 3 million, the PRA visa deposits alone can eliminate our foreign debt. If PRA enrollment can hit 4-5 million, the PRA visa deposits alone can eliminate all public debt. One, three, five, even ten million foreign retirees out of 600 million? Why not? With all our combined efforts we can attain these numbers.

In conclusion, we must act on the belief that it takes a country to accomplish these objectives. The Philippines is not the only show in town. Our global competitors are not softies who will just give us something that they want to have for themselves. As for the developed countries, they attained their advanced status thru hard work, creativity, self reliance and courage. They believe they can apply the same virtues to solve their ageing problem, while resorting to retirement migration as a last resort. How we act in the middle of all of these will determine the extent of our country's success in retirement migration.

Thank you for your attention.

Attachments:

1. *International Living Annual Retirement Index*
2. *International Living Quality of Life Index*
3. *IL Feature Article on the Philippines*
4. *WHO Age-friendly City Criteria*

Appendix B. The Philippine Retirement Industry Roadmap Framework

The purpose of the roadmap is to examine the Retirement Industry by stating and evaluating its current condition, determining the role of the government in support to the industry, and ensure the sustainability of the industry by attaining the needs and standard of living of retirees.

The roadmap provides an overview of the potential of the retirement industry to capture a significant percentage from the world market, its economic contribution, and attaining sustainable growth. Stakeholders will be able to maximize the use of the roadmap and it can help evaluate in achieving industry growth targets.

The government can use the roadmap as reference in promoting the industry. With this, it is expected to achieve the following:

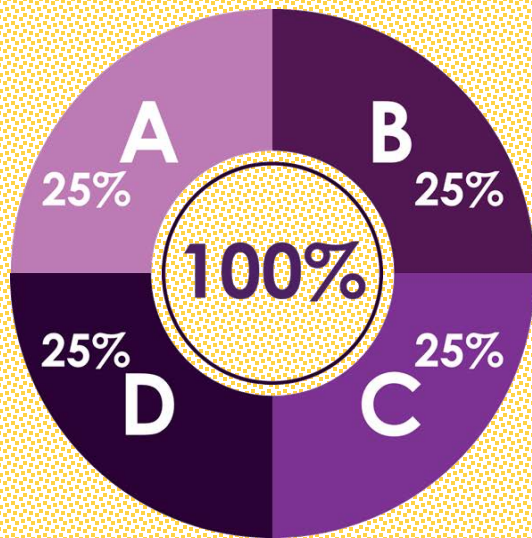
1. provide sustainable quality service for foreign retirees in the country;
2. establish better infrastructure for ease of travel, service and information

3. generate direct and indirect employment
4. contribute to the economy through retirement-related businesses generated and promoted by developers from the private sector

The PRA RADAR Index is proposed to be used as the comprehensive global framework/paradigm for the promotion and development of the retirement industry. It is a common comprehensive framework for retirement development planning at various levels of aggregation. It recognizes retirement as multi-dimensional, multi-sectoral, interdisciplinary, multidisciplinary, truly transdisciplinary

The PRA RADAR Index also tells us that in the area of retirement migration, we are not the only show in town. What we want for ourselves, other countries will not just hand over us.

To increase Philippine retirement competitiveness at all levels, and to provide a global paradigm for the promotion and development of the retirement industry, the PRA RADAR Index is hereby proposed with the following components:



- A** InterNations World Expat Survey
- B** International Living (IL) Annual Global Retirement Index
- C** World Health Organization (WHO) City Age-Friendliness Features
- D** United Nations Population Fund Global Age Watch Index

A. InterNations World Expat Survey

Quality of Life 4.17%

The retiree/ expat must be satisfied leisure options, personal happiness,

Travel and transport and health, safety and well-being.

Ease of Setting In 4.17%

The retiree/expat must feel welcome, appreciate the friendliness of the people, be able to find friends and language barrier does not exist.

Working Abroad 4.17%

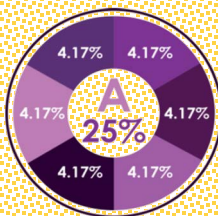
There must be a job and career available to retirees, work – life balance and Job security.

Family Life 4.17%

Child care and Education must be available. Cost of Children and Education is tantamount to quality education and it should develop the family's well being.

Personal Finance 4.17%

This refers to investing, budgeting, spending and managing family and/or



B. International Living Annual Global Retirement Index

Real Estate (4%)

Low real estate prices, purchase is easy

Special Benefits (5%)

Government provisions that make moving to & living easy and affordable for foreign retirees

Cost of Living (5%)

Living costs, rent, food costs, utilities, similar costs

Ease of Integration (3%)

English-proficiency, friendliness of the locals, number of existing retirees, availability of home comforts

Health Care (5%)

Typical visit to a general practitioner, cost and coverage, particulars of health insurance, number of people per doctor

Infrastructure (1%)

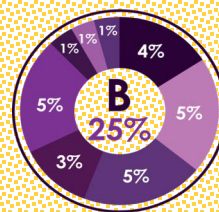
Length of railways, paved highways, and navigable waterways compared to each country's population and size

Entertainment & Amenities (1%)

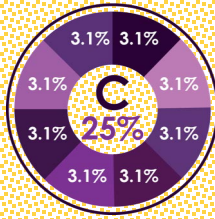
Availability of leisure and entertainment facilities

Climate (1%)

Temperate weather throughout the year, moderate rainfall, little risk of natural disaster



C. World Health Organization's City Age-Friendliness Checklist



Outdoor Spaces and Buildings (3.1%)
Clean and pleasant public areas, green spaces, wide pavements, sufficient and safe pedestrian crossings for people with different levels and types of disability

Transportation (3.1%)
Consistent, clearly displayed, and affordable public transportation, available and specialized transportation for disabled people, well regulated traffic-flow

Housing (3.1%)

Sufficient, affordable housing available in areas that are safe and close to services and the rest of the community

Social Participation (3.1%)

Venues for events and activities are conveniently located, accessible, well-lit and easily reached by public transport

Respect and Social Inclusion (3.1%)

Older people are regularly consulted by the public, older people are specifically included in community activities for "families"

Civic Participation and Employment (3.1%)

A range of flexible and appropriately paid opportunities for older people to work, including options for older volunteers, training, recognition, guidance, and compensation for personal costs

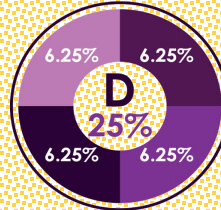
Communication and Information (3.1%)

Basic, effective communication system reaches community residents of all ages.

Community and Health Services (3.1%)

Adequate range of health and community support services is offered for promoting, maintaining and restoring health; health and social services are conveniently located and accessible by all means of transport

D. United Nations Population Fund's & Help Age International's Global Age Watch



Index Income Security (6.25%)

Access to a sufficient amount of income, and the capacity to use it independently, in order to meet basic needs in older age

Health Status (6.25%)

Physical frailty also closely associated with risk of the onset of ill-health and disability

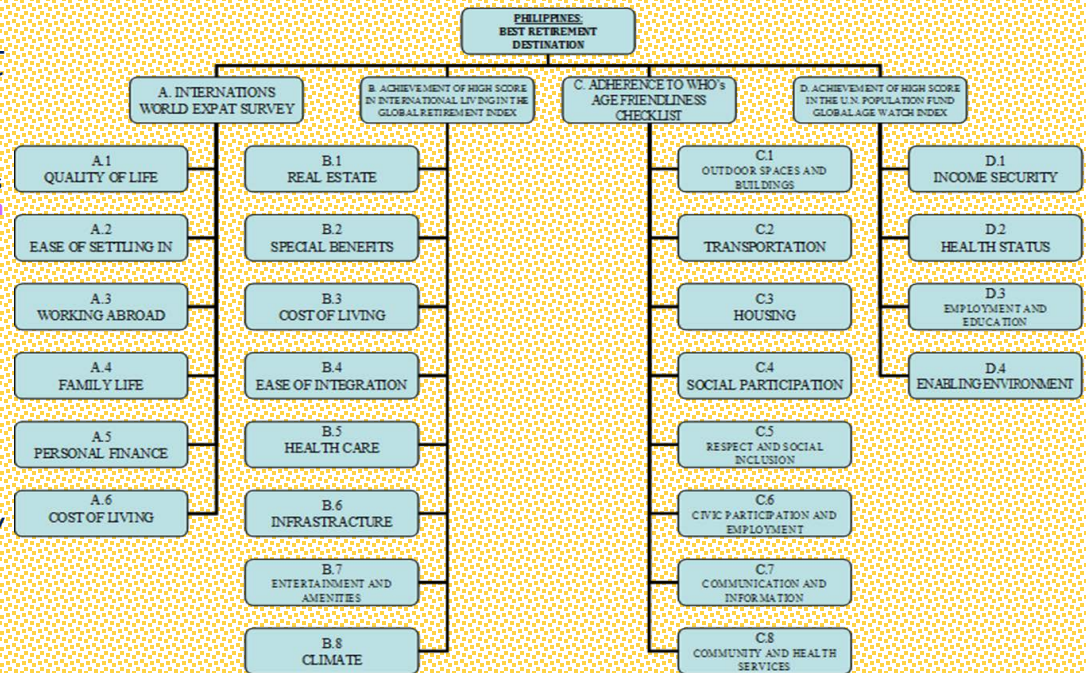
Employment and Education (6.25%)

Older people's capacity to work / inclusion in the labor market

Enabling Environment (6.25%)

Freedom of choice to live independent and self-reliant lives, safety, and access to good environment

PRA RADAR Index as the Global Framework



This Retirement Industry Roadmap a product of collaboration among members of the Retirement Industry Sector Technical working Group composed of PRA, BOI, DOH, Life Care Residences, DOLE, RHC, PRI, CREBA, TESDA, DILG and BI.

Appendix C

The 2015-2016 Performance Agreement



PERFORMANCE AGREEMENT

This Performance Agreement has been executed pursuant to the PERFORMANCE EVALUATION SYSTEM FOR THE GOCC SECTOR (GCG MC No. 2013-02 [Re-Issued]) between the –

GOVERNANCE COMMISSION FOR GOCCs (GCG)

- and -

PHILIPPINE RETIREMENT AUTHORITY (PRetA)

WHEREAS, the Parties above entered into a Performance Agreement covering CY 2016;

WHEREAS, the Parties agreed to renegotiate certain targets for CY 2015, pursuant to Section 7.2 of GCG MC No. 2013-02 (Re-Issued), which provides that "GOCCs can renegotiate the targets set in their Performance Agreements for the current year if the same are no longer feasible due to substantial changes in circumstances that could not have been foreseen at the time the targets were agreed upon."

WITNESSETH: THAT –

The Parties agree to the following terms:

- Renegotiation.** – PRetA's Performance Scorecard in its 2015 Performance Agreement is hereby amended pursuant to the attached **Renegotiated Performance Scorecard**. All other conditions in the Performance Agreement covering CY 2015 shall remain effective.
- Mission and Vision.** – PRetA's Mission, Vision and target breakthrough results for its vision year are as follows:
 - Mission :** To develop PRetA's capabilities and to enable and empower all segments of the government and private sectors relevant to the Philippine retirement migration agenda
 - Vision :** PRetA as the catalyst in strengthening the Philippines' retirement industry, envisions to enhance the status of the country as an internationally-recognized and significant retirement destination in South East Asia by 2020

	2010 Baseline Year	2015	2020
Cumulative Net Enrollment	23,357	30,000	100,000

The agreed Strategy Map for achieving the vision is attached hereto as **Annex A**. The above breakthrough results shall serve as the context of performance negotiations of annual targets between the Governance Commission and the Board of the GOCC until the vision year.

3. **Measurement of Performance.** – Performance for 2015-16 shall be measured based on the Performance Scorecard attached hereto as **Annex B**. It is understood that the GOCC must achieve a weighted-average of at least 90% based on the agreed targets for 2015-16 to be eligible to grant any Performance-Based Bonus.
4. **Strategic Initiatives.** – PRetA hereby commits to undertaking the following key programs and/or projects identified as having a significant impact on its Performance Scorecard (PES Form 2) attached hereto as **Annex C**, to wit:
- (a) Strategic Initiative 1 – Maintenance of ISO Certification of the PRetA Head Office and Application for ISO Certification of 2 Satellite Offices; and
 - (b) Strategic Initiative 2 – Implementation of the Monitoring System to Determine Retirees' Expenditures;

The Commitment herein includes obtaining all necessary approvals, if applicable, such as those for Major Development Projects under GCG MC No. 2013-03. PRetA shall include updates on the foregoing Strategic Initiatives in its submission of quarterly monitoring reports to the GCG.

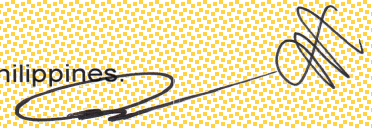
5. **Quarterly Submission of Performance Monitoring.** – PRetA shall submit a quarterly monitoring report to the GCG within thirty (30) calendar days from the close of each quarter.
6. **Good Governance Conditions.** – In addition to the covered portions of the Performance Scorecard, the GOCC must fully comply with the Good Governance Conditions enumerated under GCG MC No. 2013-02 (Re-Issued), GCG MC No. 2014-02, and GCG MC No. 2014-03 namely:
- 6.1. *Conditions Common to National Government Agencies and GOCCs:*
 - (a) Transparency Seal;
 - (b) PhilGEPS Posting;
 - (c) Cash Advance Liquidation;
 - (d) Citizen's Charter or its equivalent; and
 - (e) Compliance with the submission and review requirements covering Statement of Assets, Liabilities and Network (SALN);
 - 6.2. *Conditions Specific to GOCCs Covered by R.A. No. 10149:*
 - (a) Satisfaction of all statutory liabilities, including the payment of all taxes due to the Government, and declaration and payment of all dividends to the State as cleared by the Department of Finance.
 - (b) Submission and execution of concrete and time bound action plans for addressing Notices of Disallowances and Audit Observation Memoranda from the Commission on Audit (COA), if any.
 - (c) Adoption of a "Manual of Corporate Governance" pursuant to Section 42 of the **CODE OF CORPORATE GOVERNANCE FOR GOCCs (GCG MC No. 2012-07)** that is approved by GCG and uploaded on the GOCC's website.

- (d) Compliance with posting on the GOCC's website the information enumerated under Section 43 of GCG MC No. 2012-07.
 - (e) Adoption of a **No GIFT POLICY** approved by the GCG and uploaded on the GOCC's website pursuant to Section 29 of GCG MC No. 2012-07.
 - (f) Compliance with the deadlines and submission of reports through the Integrated Corporate Reporting System (ICRS) pursuant to GCG MC No. 2014-02.
 - (g) Compliance by all members of the Governing Board with the submission of all required forms for the Director Performance Review (DPR) pursuant to GCG MC. No. 2014-03 and implementing issuances pursuant thereto.
 - (h) Submission of Corporate Operating Budgets (COBs):
 - i. For GOCCs receiving national government budgetary support, COBs shall be submitted to the Department of Budget and Management (DBM) for review and approval on or before the deadline indicated in DBM National Budget Memorandum No. 120 on "Budget Call for FY 2015;"
 - ii. For GOCCs without national government budgetary support, COBs shall be submitted to the Governance Commission using the same deadline as provided in DBM National Budget Memorandum No. 120.
7. PRetA shall timely inform GCG of all audit observations and notices of disallowances within seven (7) working days from the time it receives the same from the Commission on Audit (COA) prior to the regular publication of the final annual audit report. Accordingly, PRetA shall copy furnish the Governance Commission copies of all written communications between PRetA and COA on such matters, inform GCG of the schedule of its exit interview with COA seven (7) working days before the schedule or as soon as practicable, and other efficient means of inter-agency coordination.

Failure to timely disclose such matters to the Governance Commission prior to the same becoming public information or the submission of the application for the Performance-Based Bonus (PBB) or Performance-Based Incentive (PBI) may be considered as non-compliance with the Good Governance Condition of submitting Concrete and Time Bound Action Plans on findings of COA, rendering the Governing Board **INELIGIBLE** to apply for the PBI, without prejudice to a further determination on the impact of the same on the GOCCs PBB application.

8. Nothing herein shall be construed as limiting the authority of GCG to initiate renegotiations and/or revoke Performance Agreements in accordance with existing laws, rules and regulations.

DONE, this 7th day of January 2016, in the City of Makati, Philippines.



**GOVERNANCE COMMISSION FOR
GOCCs**

BY AUTHORITY OF THE COMMISSION:



CESAR L. VILLANUEVA
Chairman



MA ANGELA E. IGNACIO
Commissioner



RAINIER B. BUTALID
Commissioner

**PHILIPPINE RETIREMENT
AUTHORITY**



RAMON R. JIMENEZ JR.
*DOT Secretary and Ex Officio
Chairman*



VALENTINO L. CABANSAG
General Manager

AMANDO M. TETANGCO JR.
*BSP Governor and Ex Officio Board
Member*



VICENTE S. AQUINO
*BSP Deputy Governor and Ex-Officio
Alternate Member*



RONALDO GERON
*Bureau of Immigration Commissioner
and Ex Officio Board Member*



ESTANISLAO R. CANTA
*Bureau of Immigration Acting Chief of
the Board of Special Inquiry and Ex-
Officio Alternate Member*

*(Shd be Acting Chief,
BI-PRetA)*

PHILIPPINE RETIREMENT AUTHORITY



By 2020, The Philippines Is A Leading and Significant Destination in South East Asia For The World's Retirees, Seniors and Elderly

Global Competitiveness

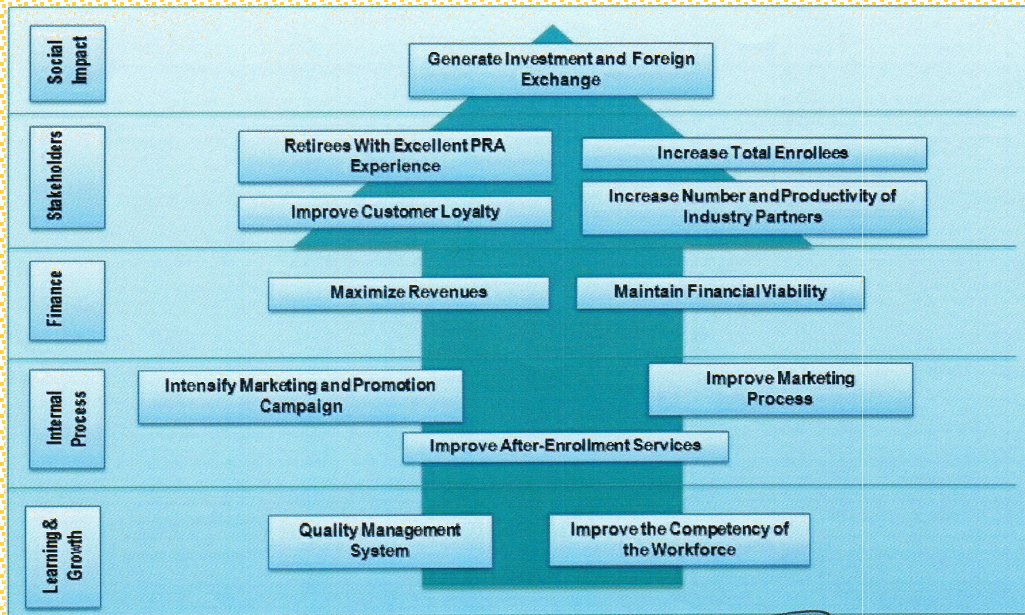
Good Governance

Mission:

To develop PRA's capabilities and to enable and empower all segments of the government and private sectors relevant to the Philippine retirement migration agenda

Core Values:

- Service Excellence
- Innovation
- Teamwork
- Integrity
- Discipline
- Good Governance
- Social Responsibility



[Signature]

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PHILIPPINE RETIREMENT AUTHORITY

Objective/Measure	Component Formula	Weight	Rating System	Baseline			Target
				2012	2013	2014	
SO 1	Generate Investment and Foreign Exchange						
SM 1	Annual Foreign Currency Generated from Visa Deposit	5%	Actual / Target x Weight	\$22.770 Million	\$28.486 Million	\$38.81 Million	\$50 Million
SM 2	Establish a System that will Monitor the Actual Expenditures of Retirees (spend on conversion, household, services medical, etc.)	5%	All or Nothing	n/a	n/a	n/a	Management-approved Monitoring System
	Sub-total	10%					
SO 2	Retirees with Excellent PRetA Experience						
SM 3	Customer Satisfaction Rating	5%	Below Satisfactory = 0%	n/a	n/a	n/a	Satisfactory or its Equivalent Percentage
SO 3	Improve Customer Loyalty						
SM 4	Retention Rate for the Year	10%	<95% - Poor = 0% 95-96.9 - Good = 5% 97 and above - Excellent 10%	95.95%	95.99%	96.00%	>97%
							>97%

Social Impact

Stakeholder

Objective/Measure	Component			Rating System	Baseline			Target	
	Formula	Weight			2012	2013	2014		2015
SO 4	Increase Total Enrollees								
SM 5	Net Enrollment for the Year	Net Enrollment at the End of Rating Period	15%	Actual / Target x Weight	2,573	3,076	3,956	4,250	5,100
SO 5	Increase Number and Productivity of Industry Partners								
SM 6	Number of Principal Retirees enrolled by Marketers at the end of the rating period	Absolute Number	5%	Actual / Target x Weight	1,409	1,614	2,209	2,000	2,500
	Sub-total		35%						
SO 6	Maintain Financial Viability								
SM 7	Revenue Generated	Absolute Amount	10%	Actual / Target x Weight	P346.23 Million	P413.42 Million	P525.36 Million	P588.32 Million	P660.73 Million
SO 7	Maximize Revenues								
SM 8	Net Operating Income	Revenues + Interest Income from Visa Deposit – Operating Expenses	10%	Actual / Target x Weight	P218 Million	P280.05 Million	P356.77 Million	P373.58 Million	P414.41 Million
	Sub-total		20%						
SO 8	Intensify Marketing and Promotion Campaign								
SM 9	Percentage of Marketing and Promotion Activities Conducted based on the Board Approved Marketing Plan	Marketing and Promotion Activities Conducted/ Total Marketing and Promotion Activities Programmed for the Year	5%	Actual / Target x Weight	n/a	n/a	n/a	95% (Marketing Plan based on PPMP)	95% realization of targets set in the marketing plan

P R e t A | 3 of 4
Performance Scorecard 2015-2016 (Annex B)

Objective/Measure		Component		Baseline				Target	
		Formula	Weight	Rating System	2012	2013	2014	2015	2016
SO 9	Improved Marketing Process								
SM 10	Percentage Increase in the number of Walk in Principal Member with Approved Applications	(Current year actual – Prior year actual) / Prior Year Actual x 100	5%	Actual / Target x Weight	-9.09%	24.13%	6.67%	10%	16%
SO 10	Improved After-Enrollment Services								
SM 11	Number of Retirees availing of Post-enrollment Services	Absolute Amount	5%	Actual / Target x Weight	9,240	11,069	13,960	16,592 (ID Renewal & Re-stamping)	90% of requests with complete documents are processed
SM 12	Number of New Services/Programs/Activities Introduced/Launched	Actual Amount	5%	Actual / Target x Weight	2	2	2	2	for replacement in 2016
	Average Number of Post Enrollment Services availed of per Retiree	Average Number of Post Enrollment Services availed of per Retiree							Establish baseline
	Sub-total		20%						
SO 11	Quality Management System								
SM 13	ISO 9001 Accreditation		10%	All or Nothing	n/a	n/a	n/a	ISO Certification all sites all processes	Maintain ISO Certification

Internal Process

Learning and Growth

3

M

Objective/Measure	Component Formula	Weight	Rating System	Baseline			Target	
				2012	2013	2014	2015	2016
SO 12	Improve Competency of the Workforce							
SM 14	Development of Board-approved Competency Framework	5%	All or Nothing	n/a	n/a	n/a	Submission of Competency Framework and Tables not later than December 2015	Implementation of Competency model and establishment of baseline
	Sub-total	15%						
	TOTAL	100%						

Strategy Initiatives Profile (Annex C)

PHILIPPINE RETIREMENT AUTHORITY

STRATEGIC INITIATIVES PROFILE

I. STRATEGIC INITIATIVES PROFILE I

1. Name of Project: Maintenance of ISO Certification of the PRetA Head Office and Application for ISO Certification of 2 Satellite Offices.

2. Contact Person/ Project Team Head: John Oliver Q. Sanota
 OIC-Corporate Planning

3. Project Description:

Establishment of a Quality Management System (QMS), a set of policies, processes and procedures required for planning and execution in the core business area of organizations, is a requirement of EO No. 605 s 2007, entitled Institutionalizing the Structure, Mechanisms and Standards to Implement the Government Quality Management Program, mandating all government department/ agencies including GOCC's and GFDI's to adopt the ISO 9001:2008 Quality Management System Standards for their Agencies.

Impact to PRetA:

- Creates a more efficient and effective operation.
- Improves the quality of service and makes delivery on time
- Develops a culture of quality and continuous improvement within the members of the organization
- Decreases costs due to inefficiency, re-work, and delay hence reduces wastes
- Increases customer satisfaction and retention
- Can serve as one of PRetA's tools in promoting its services, a good foundation for expanding our market.

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Based on the Project Work Plan	January 2016	December 2016	₱1.1 Million	Corporate Fund	As of this writing, PRetA Head Office's application for ISO is in progress, and the Authority expects to be awarded with the certification before the end of 2015. In 2016, PRetA will work on certification of 2 more Satellite Offices.





II. STRATEGIC INITIATIVES PROFILE II

1. Name of Project: Implementation of the Monitoring System to Determine Retirees' Expenditures

2. Contact Person/ Project Team Head: Irma S. Lappay
OIC-MSD

John Oliver Q. Sanota
OIC-Corporate Planning

3. Project Description:

By the end of 2015, a system that will monitor and measure the actual expenditures of retiree-members (spend on visa deposit conversion, household, medical services, etc.) is expected to be established. This has been one of the corporate targets of PRetA under Social Impact perspective. This project aims to determine:

- the foreign retirees' demand for goods and services;
- the impact of retirement industry in our economy.

Full implementation of the approved system will be on 2016.

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Actual activities will depend on the content/mechanics in the approved system	January 2016	December 2016	₱120,000	Corporate Funds	Done with the preparation of TOR for the procurement requirement.





Appendix D

The 2015 Marketing Activities Conducted

Activity	Number
International Promotional Campaigns	<u>11</u>
Japan	4
Korea	2
Taiwan	2
Hong Kong	1
USA	1
Netherlands	1
Local Promotional Campaigns	<u>51</u>
Metro Manila	27
Luzon	10
Visayas	9
Mindanao	5
Briefings / Meetings / Sales Calls	<u>84</u>
Potential Retirees	<u>63</u>
Potential Marketers	<u>21</u>
Management of Accredited Marketers	<u>22</u>
Marketer's Appreciation Day / Rewards Program	1
Meetings / Updates	<u>21</u>
Accredited Marketers	<u>173</u>
Marketers Accredited (New / Renewed)	173
Advertising Placements / Publications	<u>1,420</u>
Newspapers / Broadsheets	465
Magazines / Maps / Yearbooks	103
Directories / Coffee Table Books	5
Foreign Chambers / Journals	11
Inflight Magazines	29
International Newspapers / Magazines	100
Radio / TV	17
Web / Online Marketing	690

Appendix E

The 2015 Table of Trainings Conducted

Title of Seminar /Training	Date
Attendance of PRA Employees on the Re-orientation on Strategic Performance Management System	January 14, 2015
Attendance of Manuel R. Asuncion and Jaqueline Z. Elic in the Gender Sensitivity Training for Facilitators	February 3-6, 2015
Participation of PRA Officers in the Conference Entitled Philhealth @20 4 Tracks One Goal Towards Universal Health Care	February 3-4, 2015
Attendance of Desiree M. Santos in the Seminar on the Tools and Techniques for Internal Auditing	February 11-13,2015
Attendance of Jose Nazareth C. Delas Alas in the Seminar Quality Customer Service	February 18,2015
Attendance of Shena Mae C. Armentia and Glaira Kriziel M. Garcia in the Orientation Seminar GSIS New Members	February 20,2015
Attendance of Philip John B. Moreno , Vanessa A. Olivas , Danny E. Fajardo and Myra D. Olivar in the Seminar for Effective Audit Report Writing	February 26-27,2015
Attendance of Evelyn R. Tansiongco, Mari Thea A. Vasquez and Kelvin R. Mares in the Half Day Conference on the Future of Philippine Taxation and Asean Integration 2015: Reforms and Implementation	February 27, 2015
Attendance of Marella Mae G. De Vera, Naricris B. Sison and Vea Marisse Reyes in the Effective Business Writing Seminar	March 5-6, 2015
Attendance of Pedro S. Del Espiritu in the Seminar on Internal Control System for Property & Supply Management	March 11-13,2015
Attendance of Remus Erlan S. Pamos and Mervin A. Magbuhat in the CSI Leadership Series	March 18,2015
Attendance of Alexander M. Veneracion , Mervin A. Magbuhat and Desiree M. Santos in the Half- Day Conference on the Future of Philippine Telecommunications Industry Towards ASEAN Integration 2015	March 20, 2015
Special Briefing for PRA Employees on Retirement Program, Visa Application and Marketer Accreditation Process	March 23, 2015
Attendance of Herbert E. Mendoza in the Seminar on ICT for Development Essentials for Government Managers	March 23-27,2015
Attendance of Evelyn R. Tansiongco, & Mari Thea A. Vasquez to the 1st PAGBA Quarterly Seminar and Meeting with Theme "Planning , Budgeting Execution & Monitoring for Results-Pillars of Strong Public Financial Management"	March 24-29,2015
Attendance of Paul Manfred G. Amparo at the Seminar on Real Estate Property Appraisal	March 25-27,2015
Attendance of Ketslynn C. Tan and Naricris B. Sison in Creating Dynamic Presentation with MS Powerpoint 2013	March 25, 2016

Title of Seminar /Training	Date
Attendance of Rubie Jane A. Baguio in Effective Selling and Negotiation Skills	March 26-27, 2015
Attendance of All PRA Employees in the Fire Prevention and Fire Safety Seminar	March 31, 2015
Attendance of Virgilio G. Alonzo , Randy L. Aviles in the Orientation of PhilHealth Electronic Premium Remittance System (EPRS)	April 7, 2015
Attendance of Philip John B. Moreno and Randy L. Aviles in the Seminar on Strategic HR	April 13-15,2015
Attendance of Desiree M. Santos in the Internal Quality Audit Seminar	April 13-14,2015
Attendance of Jaqueline Z. Elic on How to Become an Effective Document Controller	April 13-14,2015
Attendance of Ms. Ruby D. Abriol and Myra D. Olivar to the On the Training on the Use of Agency Procurement Compliance and Compliance Indicator System for NGAS,GOCCs under DBM	April 15-17, 2015
Attendance of Rubie Jane A. Baguio to the Quality Customer Service Seminar	April 16, 2015
Attendance of All PRA Employees in the Basic Document Fraud Detection Training	April 17,2015
Attendance of Teresita C. Aganan and Analyn L. Valencia to the Seminar on E-Government Project Management	April 20-24,2015
Participation of PRA Officers in the Public Governance Forum Panelist Briefing and Lunch	April 24, 2015
Attendance of Lina E. Antatico & Ruby D. Abriol in the Orientation Seminar for GSIS New Members	April 24, 2015
Attendance of Philip John B. Moreno and Loreto E. Morgia to the 9th UNTWO Asia/Pacific Executive Training Programme on Tourism Policy and Strategy	April 27-May 2,2015
Attendance of Vanessa A. Olivas and Desiree M. Santos to the Accounting and Auditing Standards	April 28, 2015
Attendance of Ruby D. Abriol on the Seminar on Materials, Management and Inventory Control	April 27- 28,2015
Attendance of Mervin A. Magbuhat , John Oliver Q. Sanota and Claro Alfredo Y. Ramirez on Time and Motion Study	April 29-30,2015
Attendance of Veredigno P. Atienza and Noehl D. Bautista in the Half- Day Conference on Attracting Direct Foreign Investments , Liberalization , Prospects and Opportunities	April 30, 2015
Attendance of PRA Officers in the Public Governance Forum	May 04, 2015
Attendance of Joelson B. Abella on the Seminar on Work Attitude and Value Enhancement	May 07, 2015
Team Building Activity of PRA Employees	May 08-09,2015
Attendance of Robert M. Castro in the Cash Management and its Control System Seminar	May 13-15,2015
Attendance of PRA Officers and Staff in the Pre-retirement Seminar for GSIS Members	May 22, 2015

Title of Seminar /Training	Date
Attendance of Remus Erlan S. Palmos and Randy L. Aviles to the Symposium with the Theme " Transformations through Leadership Development"	May 26-30,2015
Attendance of Melarose R. Rogan to the Seminar on Managing ICT Services in Government - ITIL Framework	June 24-26,2015
Attendance of Elma A. Corbeta in the 4TH Southeast Asian Creative Cities Network Forum	June 25, 2015
Attendance of PRA Officers in the Half- Day Conference on the Future of ASEAN Tourism Industry : Prospect and Outlook	June 26,2015
Attendance of PRA Officers & Staff in ASEAN Gender and Development Forum	September 8-9,2015
Attendance of PRA Personnel in the 5th Luzon Convention of Human Resource Practitioners	December 1-3,2015
Attendance of Marketing Officers and Selected Staff on Tuesday, December 8, 2015 Seminar on "Marketing Through Social Media : How to Double your Social Media Traffic	December 8, 2015
GAD Seminar on the Various Philippine Laws on the Protection of Women & Children	December 21, 2015

Appendix F

The Retiree Expenditure Measurement System Concept Paper

BACKGROUND

The Philippine Retirement Authority (PRA) is a government owned and controlled corporation created by virtue of Executive Order No. 1037 signed by former President Ferdinand E. Marcos on 04 July 1985.

Thirty (30) years after its creation, the PRA had already reached over thirty thousand (30,000) retiree members from one hundred twelve (112) countries. Continuously driven to improve the organization in order to effectively execute its mandate in enticing foreign nationals and former Filipino citizens to invest, reside and retire in the Philippines with the end-view of accelerating the socio-economic development of the country.

To determine the fulfillment of its mandate, the PRA seeks to measure the significant impact of its retiree members in the economy of the country through the implementation of Retiree Expenditure Measurement System (REMS).

The approach and mechanism of the system are presented and explained through this paper.

OBJECTIVE

To establish a system that will monitor and measure the actual expenditures of the retiree-members while they are staying in the country (e.g. spend on visa deposit conversion, household, medical services, education, etc.). Data will be gathered through the conduct of an income and expenditure survey. The gathered data will be used to:

- determine the income and expenditure pattern of retiree-members;
- determine the retiree-members' demand for goods and services; and
- estimate the socio-economic impact of PRA's retirement program in the country.

SCOPE AND COVERAGE

The data to be gathered will focus on retirees' individual and/or family income & expenditure. The following items are necessary to understand the concepts of income & expenditure.

A. Retirees' Individual/Family Income

Total individual/family income includes primary income and receipts from different sources received by the individual or family members during the reference period. Primary income includes salaries and wages, commissions, tips, bonuses, allowances, and other forms of compensation and net receipts/profits derived from the operation of operated enterprises/businesses and the practice of profession or trade.

B. Retirees' Individual/Family Expenditures

It refers to the expenses or disbursements made by an individual or by the family purely for personal consumption during the reference year. These also include all expenses in relation to business operations, investments ventures, purchase of real property and other disbursements which do not involve personal consumption.

Food includes the food consumed at home and regularly consumed outside the home by each individual.

Fuel, light and water refers to the total family consumption of fuel, light and water consumed during the reference period.

Furniture and equipment refers to all durable and non-durable furnishings or equipment acquired within the reference period such as fixtures or furniture, tools, appliances, cars, etc. whether acquired on a cash or installment basis. Including all disbursements incurred in maintaining the acquired furniture and equipment.

Rent or purchase of real property refers to expenses related to dwelling of an individual or of the family. It also includes renovation and maintenance expenses incurred within the reference period.

Services received by the family or an individual during the reference year, such as hiring of maid, driver, gardener, cook, etc. either for a short or long term contract. These also includes expenses incurred related to the education, recreation, medical care of any family member.

LIMITATIONS

All data and figures that will be gathered are just estimates since the selections/choices of answers in the survey questionnaire are in ranges. Considering there will be no assurance in the accuracy of the information, the data cannot be used for taxation, investigation or enforcement purposes. Hence, the data gathered will be used for statistical references only and will be published in summary forms.

MECHANISM

A. Tool

A survey questionnaire will be developed which contain items deemed sufficient to adequately generate vital data required for analysis of the expenditure patterns of retiree members. Database will be provided to keep and consolidate all gathered information in an electronic form.

B. Survey Design

Sampling Design

Survey Mapping - the total number of retiree members (principal) from each region will be determined, from which the number of actual respondents per region will be randomly selected.

The distribution of survey questionnaire will be doubled based on the actual number of respondents to be derived, to provide allowance for those who will refuse to participate, those who would submit after the data gathering phase and those who would submit invalid survey responses.

Survey Sample Size

The survey sample size will be determined using a confidence interval/margin of error of $\pm 5\%$ and a confidence level of **95%**.

Formula: Sample Size =

Description:

z = confidence level at 95% (standard value of 1.96)

p = estimated prevalence (50% or 0.5)

e = margin of error (5% or 0.05)

N = total population (21,406 principal retirees)

Sample Computation:

$$= \frac{[1.96^2 \times 0.5 (1 - 0.5)] / 0.05^2}{1 + [(1.96^2 \times 0.5 (1 - 0.5)) / 0.05^2 (21,406)]}$$

$$= \frac{0.9605 / 0.0025}{1 + (0.9605 / 53.515)}$$

$$= \frac{384.2}{1.0179}$$

$$= 377.44 \sim 378$$

Survey Questionnaire

The questionnaire has four main parts consisting of the following:

Part 1: Respondent Profiling

Geographic identification, other information and particulars about the family or individual.

Part 2: Income

Salaries/wages from employment, businesses and other related activities, and other sources & receipts (pension).

Part 3: Expenditures

Food, beverages, household operations (fuel, light,

water, communication, transportation, etc.), personal care & effects (clothing, education, recreation, medical care, hiring of maid, driver, etc.), furnishings & equipment, dwellings (rent, maintenance, repairs), miscellaneous expenses and other disbursements.

Part 4: Entrepreneurial Activities

Any expenses incurred in operating an enterprise or any type of businesses in any scale (capital investment, acquiring of lot, machineries, manpower, etc.)

Distribution of Survey Form

Interview walk-in members using the devised questionnaire.

Mail questionnaire directly to the respondent's resident address.

Provide an on-line survey forms, respondents will be invited to participate through an official PRA emailed message or posting of announcement through the official website.

C. Key Phases

Phase 1: Preparatory

During this phase, the target number of respondents will be identified. The survey questionnaire, database, scheduling of activities, and other instruments needed will be developed. The pre-testing of the survey tools will also be conducted during this phase.

Phase 2: Data Gathering

Distribution of questionnaires to all identified respondents and subsequent gathering of accomplished survey form.

Phase 3: Data Processing

Tabulation of responses and encoding of survey data in the database provided.

Phase 4: Analysis of Survey Results

During this phase, all tabulated data will be analyzed and submitted in a report documenting survey results.

Phase 5: Final Report Phase

A final report on the findings and result of the survey conducted will be prepared and submitted to the Management.

D. *Project Phases Matrix*

Process Flow	Timeline	Input	Output	Responsible Group
<i>Preparatory Phase</i> Devise survey tool, database, other instruments needed, and schedule of activities. Conduct of pre-testing	January - February 2016	Meetings IT equipment Office supplies Retiree members statistics and profile	Survey questionnaire Survey schedule No. of respondents and contact information of retiree-members randomly selected Database TWG functions Pre-testing result Cover/ introductory letter	MSD and RRSd
<i>Data Gathering Phase</i> Distribution of survey questionnaire and collation of responses.	March - July 2016	Survey Form (hard copy and electronic version) Cover/ introductory letter Email Respondents contact information Courier services Meetings IT equipment Communication equipment	Complete no. of accomplished survey questionnaire	MSD and RRSd
<i>Data Processing Phase</i> Tabulation of responses and encoding of survey data	August 2016	Meetings IT equipment Manpower (possibly additional job order employees) Survey Result Database Office supplies	Tabulated/ encoded survey data	MSD and RRSd
<i>Analysis of Survey Result</i> Tabulated data will be analyzed and submitted in a report documenting survey results	August - September 2016	Meetings IT equipment Office supplies	Report on survey result	MSD
<i>Final Report</i> Final report on the findings and result of the survey conducted will be prepared and submitted to the Management.	October 2016	Meetings IT equipment Office supplies	Final Report Baseline Data	MSD

KEY PROBLEMS AND ISSUES

Reluctance to Participate

For various personal reasons, there may be respondents that are reluctant to participate. Such as respondents are too busy or they are thinking it is just a waste of time, or giving information could be unsafe or dangerous to themselves or their family, or it is difficult for them to understand the questionnaire and the procedure because they cannot read and speak English, and many other personal reasons. To address or somehow mitigate the occurrence of this potential problem the following measures are recommended:

- Along with the questionnaire, there should be a formal communication in a form of a letter explaining the objective and importance of the survey activity and how it will improve the services provided by the PRA. It is also important to provide assurance that all information will be handled carefully and will be treated as strictly confidential.

- There should be in any form an incentive for all the respondents to encourage them to participate in the survey activity.
- There should be questionnaires translated to other languages. Marketers can be requested to assist in distributing the survey questionnaire and explaining the objective of the activity to their clients which are already a PRA member.

Prepared by:

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OIC - Corporate Planning Division

Appendix G

Statistics (As of December 31, 2015)

1. Yearly Enrolment, Cancellation and Retention

YEAR	Gross Enrolment			Cancellation			Net Enrolment	Cumulative Net per year	Retention Rate [1 - (Withdrawal at the end of rating period / Net Enrollment Beginning Balance)] x 100%
	PRINCIPAL	SPOUSE/ DEPENDENT	SUB-TOTAL	PRINCIPAL	SPOUSE/ DEPENDENT	SUB-TOTAL			
1987	13	4	17	1	-	1	16	16	
1988	100	49	149	2	2	4	145	161	75.00%
1989	390	235	625	7	1	8	617	778	95.03%
1990	143	152	295	8	5	13	282	1,060	98.33%
1991	94	77	171	15	10	25	146	1,206	97.64%
1992	135	117	252	27	20	47	205	1,411	96.10%
1993	182	169	351	27	20	47	304	1,715	96.67%
1994	314	269	583	37	16	53	530	2,245	96.91%
1995	529	571	1,100	51	22	73	1,027	3,272	96.75%
1996	525	781	1,306	53	53	106	1,200	4,472	96.76%
1997	371	440	811	130	133	263	548	5,020	94.12%
1998	208	217	425	154	155	309	116	5,136	93.84%
1999	324	308	632	119	87	206	426	5,562	95.99%
2000	376	446	822	137	109	246	576	6,138	95.58%
2001	379	466	845	154	151	305	540	6,678	95.03%
2002	322	367	689	198	221	419	270	6,948	93.73%
2003	328	388	716	185	175	360	356	7,304	94.82%
2004	420	513	933	165	148	313	620	7,924	95.71%
2005	589	685	1,274	178	187	365	909	8,833	95.39%
2006	1,283	1,116	2,399	341	236	577	1,822	10,655	93.47%
2007	1,334	1,285	2,619	249	242	491	2,128	12,783	95.39%
2008	1,247	1,150	2,397	404	480	884	1,513	14,296	93.08%
2009	1,009	780	1,789	422	452	874	915	15,211	93.89%
2010	1,266	891	2,157	388	354	742	1,415	16,626	95.12%
2011	1,288	999	2,287	384	319	703	1,584	18,210	95.77%
2012	1,699	1,547	3,246	378	295	673	2,573	20,783	96.30%
2013	1,974	1,833	3,807	401	330	731	3,076	23,859	96.48%
2014	2,593	2,195	4,788	446	386	832	3,956	27,815	96.51%
2015	2,497	2,533	5,030	470	405	875	4,155	31,970	96.85%
TOTAL	21,932	20,583	42,515	5,531	5,014	10,545	31,970		

2. Visa Deposit

I. Investment Deposit (US\$)

Month	1987-2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Sub-Total
January	\$23,611,000.00	\$1,703,000.00	\$5,204,800.00	\$3,888,000.00	\$2,354,500.00	\$2,909,500.00	\$1,677,500.00	\$1,891,000.00	\$2,926,000.00	\$3,440,000.00	\$2,218,500.00	
February	\$30,823,000.00	\$2,536,500.00	\$5,159,500.00	\$3,169,000.00	\$2,096,500.00	\$3,311,000.00	\$2,417,500.00	\$2,907,500.00	\$3,057,500.00	\$4,115,500.00	\$5,316,000.00	
March	\$27,204,500.00	\$2,954,000.00	\$3,874,500.00	\$3,182,500.00	\$3,236,000.00	\$2,726,000.00	\$2,022,500.00	\$2,879,000.00	\$3,124,500.00	\$3,122,000.00	\$5,394,500.00	
April	\$30,507,500.00	\$1,958,000.00	\$2,293,000.00	\$4,094,500.00	\$2,010,500.00	\$2,744,500.00	\$1,745,500.00	\$2,091,000.00	\$3,109,500.00	\$3,498,000.00	\$3,671,000.00	
May	\$29,230,000.00	\$2,296,000.00	\$2,991,500.00	\$3,223,000.00	\$1,479,000.00	\$2,929,500.00	\$2,562,500.00	\$2,982,600.00	\$3,844,500.00	\$4,730,500.00	\$3,896,500.00	
June	\$28,232,000.00	\$2,261,500.00	\$3,151,000.00	\$3,033,000.00	\$2,269,500.00	\$3,109,500.00	\$3,042,500.00	\$2,526,000.00	\$3,321,500.00	\$4,684,000.00	\$3,241,000.00	
July	\$39,678,500.00	\$2,306,500.00	\$3,828,000.00	\$4,176,000.00	\$2,586,000.00	\$3,268,000.00	\$2,606,000.00	\$3,856,000.00	\$5,211,500.00	\$4,564,500.00	\$5,427,500.00	
August	\$34,142,000.00	\$5,339,500.00	\$3,466,000.00	\$4,184,500.00	\$2,486,000.00	\$3,384,000.00	\$2,653,000.00	\$3,138,000.00	\$3,261,500.00	\$6,689,500.00	\$5,636,500.00	
September	\$26,322,500.00	\$4,227,500.00	\$3,929,500.00	\$2,432,000.00	\$2,218,000.00	\$3,361,000.00	\$2,290,500.00	\$4,082,500.00	\$2,694,500.00	\$5,916,500.00	\$5,137,000.00	
October	\$27,040,500.00	\$4,556,500.00	\$3,119,500.00	\$2,544,000.00	\$2,472,500.00	\$2,287,500.00	\$2,693,000.00	\$3,806,000.00	\$3,432,500.00	\$5,411,000.00	\$5,142,500.00	
November	\$26,330,000.00	\$7,916,500.00	\$3,861,000.00	\$2,083,000.00	\$2,939,000.00	\$1,797,500.00	\$2,031,000.00	\$2,985,500.00	\$3,570,500.00	\$3,407,000.00	\$2,393,500.00	
December	\$23,811,600.00	\$6,320,000.00	\$2,801,500.00	\$2,202,500.00	\$1,734,500.00	\$2,571,000.00	\$2,523,500.00	\$2,653,000.00	\$3,286,000.00	\$3,417,500.00	\$2,853,000.00	
	\$3,46,933,100.00	\$44,375,500.00	\$43,679,800.00	\$38,212,000.00	\$27,902,000.00	\$34,399,000.00	\$28,265,000.00	\$35,798,100.00	\$40,840,000.00	\$52,996,000.00	\$50,327,500.00	\$7,43,728,000.00

II. Amount cancellation from the Retirement Program due to termination of membership of retiree/deceased retiree

January	\$7,946,500.00	\$775,000.00	\$1,035,000.00	\$1,265,000.00	\$1,595,000.00	\$1,225,000.00	\$1,881,500.00	\$976,500.00	\$1,586,500.00	\$1,020,000.00	\$685,000.00	
February	\$7,650,000.00	\$2,280,000.00	\$1,450,000.00	\$1,245,000.00	\$1,725,000.00	\$1,645,000.00	\$1,531,500.00	\$926,500.00	\$813,000.00	\$1,275,000.00	\$1,260,000.00	
March	\$8,701,500.00	\$8,671,500.00	\$1,015,000.00	\$1,350,000.00	\$2,981,500.00	\$1,005,000.00	\$1,865,000.00	\$880,000.00	\$1,061,500.00	\$1,225,000.00	\$1,625,000.00	
April	\$7,185,000.00	\$850,000.00	\$565,000.00	\$1,645,000.00	\$2,520,000.00	\$1,361,500.00	\$940,000.00	\$695,000.00	\$940,000.00	\$1,160,000.00	\$1,790,000.00	
May	\$8,293,000.00	\$591,500.00	\$555,000.00	\$2,103,000.00	\$1,430,000.00	\$1,405,000.00	\$635,000.00	\$1,506,500.00	\$850,000.00	\$1,230,000.00	\$910,000.00	
June	\$9,570,000.00	\$880,000.00	\$1,261,500.00	\$1,106,500.00	\$2,041,500.00	\$1,255,000.00	\$891,500.00	\$1,215,000.00	\$1,126,500.00	\$1,265,000.00	\$1,086,500.00	
July	\$7,901,500.00	\$650,000.00	\$885,000.00	\$1,615,000.00	\$765,000.00	\$1,475,000.00	\$2,126,500.00	\$1,266,500.00	\$1,645,000.00	\$1,331,500.00	\$1,335,000.00	
August	\$9,283,000.00	\$1,916,500.00	\$1,405,000.00	\$1,415,000.00	\$1,695,000.00	\$1,881,500.00	\$1,016,500.00	\$775,000.00	\$970,000.00	\$1,215,000.00	\$1,821,500.00	
September	\$8,346,500.00	\$876,500.00	\$1,153,000.00	\$1,606,500.00	\$1,148,000.00	\$1,740,000.00	\$1,515,000.00	\$1,656,000.00	\$955,000.00	\$1,266,500.00	\$1,076,500.00	
October	\$8,370,000.00	\$1,045,000.00	\$1,200,000.00	\$1,470,000.00	\$760,000.00	\$821,500.00	\$1,075,000.00	\$730,000.00	\$1,285,000.00	\$1,430,000.00	\$1,095,000.00	
November	\$8,236,500.00	\$895,000.00	\$1,235,000.00	\$2,805,000.00	\$1,065,000.00	\$1,016,500.00	\$943,000.00	\$915,000.00	\$720,000.00	\$675,000.00	\$920,000.00	
December	\$8,078,000.00	\$1,110,000.00	\$970,000.00	\$1,895,000.00	\$870,000.00	\$915,000.00	\$685,000.00	\$1,486,500.00	\$401,500.00	\$1,095,000.00	\$400,000.00	
	\$99,541,500.00	\$20,541,000.00	\$12,729,500.00	\$19,521,000.00	\$18,596,000.00	\$15,746,000.00	\$15,105,500.00	\$13,028,500.00	\$12,354,000.00	\$14,188,000.00	\$14,004,500.00	\$255,355,500.00
III. Net Visa Deposit	\$247,391,600.00	\$23,834,500.00	\$30,950,300.00	\$18,691,000.00	\$9,306,000.00	\$18,653,000.00	\$13,159,500.00	\$22,769,600.00	\$28,486,000.00	\$38,808,000.00	\$36,323,000.00	\$488,372,500.00

3. Top 10 Enrolment

	Nationalities	Principal	Spouse/dep	TOTAL	Percentage
1	Chinese (PROC)	6,478	8,199	14,677	34.52%
2	Korean	3,781	5,328	9,109	21.43%
3	ROC (Taiwan)	1,779	2,280	4,059	9.55%
4	Japanese	2,384	818	3,202	7.53%
5	Indian	1,294	1,279	2,573	6.05%
6	American	1,581	449	2,030	4.77%
7	Chinese (HK)	585	613	1,198	2.82%
8	British	748	202	950	2.23%
9	German	406	149	555	1.31%
10	Australian	389	120	509	1.20%
	Others	2,507	1,146	3,653	8.59%
	TOTAL	21,932	20,583	42,515	100.00%

4. Investment

Nature of Investment	Values	
CONDOMINIUM UNIT (983 Retirees)	Sum of AMOUNT CONVERTED	\$ 50,890,014.81
	Sum of PESO CONVERSION	2,128,171,901.08
	Sum of ADDITIONAL INVESTMENT	2,653,744,883.12
	Sum of VISITORIAL FEE	15,866,954.79
GOLF SHARES (39 Retirees)	Sum of AMOUNT CONVERTED	\$ 1,571,501.47
	Sum of PESO CONVERSION	63,502,346.55
	Sum of ADDITIONAL INVESTMENT	3,936,647.05
	Sum of VISITORIAL FEE	624,499.24
HOUSE CONSTRUCTION (101 Retirees)	Sum of AMOUNT CONVERTED	\$ 4,922,555.07
	Sum of PESO CONVERSION	206,100,711.99
	Sum of ADDITIONAL INVESTMENT	118,077,650.43
	Sum of VISITORIAL FEE	1,396,708.83
LEASEHOLD RIGHTS (392 Retirees)	Sum of AMOUNT CONVERTED	\$ 18,438,181.32
	Sum of PESO CONVERSION	837,092,607.08
	Sum of ADDITIONAL INVESTMENT	342,882,807.88
	Sum of VISITORIAL FEE	8,237,817.97
ROP-13 BONDS (1 Retiree)	Sum of AMOUNT CONVERTED	\$ 75,000.00
	Sum of PESO CONVERSION	4,019,250.00
	Sum of ADDITIONAL INVESTMENT	
	Sum of VISITORIAL FEE	20,096.25
SHARES OF STOCK (469 Retirees)	Sum of AMOUNT CONVERTED	\$ 32,963,052.52
	Sum of PESO CONVERSION	1,358,773,301.31
	Sum of ADDITIONAL INVESTMENT	90,476,686.16
	Sum of VISITORIAL FEE	12,217,900.27
Total Sum of AMOUNT CONVERTED	\$ 108,860,305.20	
Total Sum of PESO CONVERSION	4,597,660,118.01	
Total Sum of ADDITIONAL INVESTMENT	3,209,118,674.64	
Total Sum of VISITORIAL FEE	38,363,977.36	

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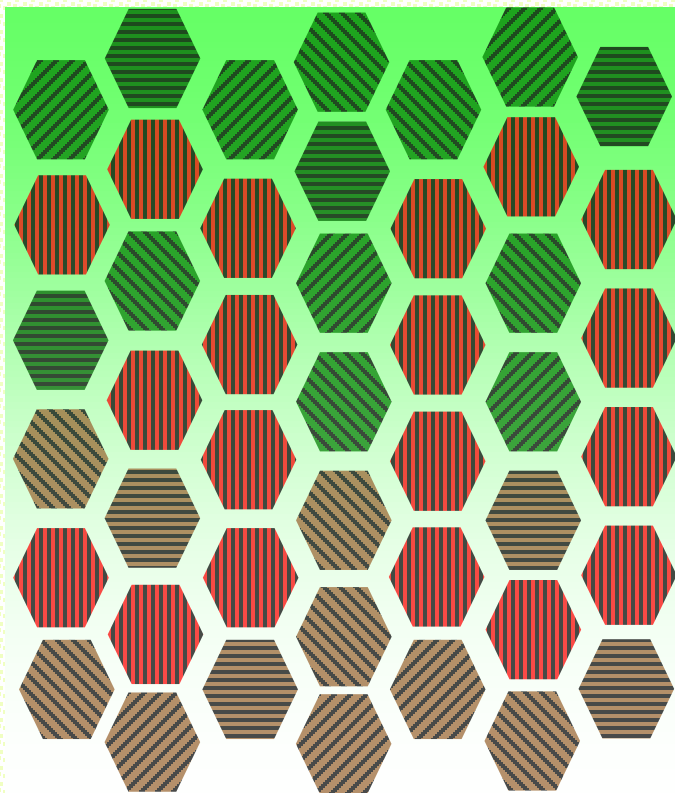
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TO GOD BE THE GLORY

About the Cover



“The Next 30”

At a glance, one could see a group of hexagons arranged to resemble that of a honeycomb or associate it with an apiary. Partially yes. I've been using hexagons in different presentations since I became a beekeeper few months ago. I prefer to use them for this Annual Report of PRA, not to share about the importance of teamwork, as where bees are mostly used for as symbol, but to be a little playful with the reader's visual processing and reasoning. I entitled it “The Next 30”.

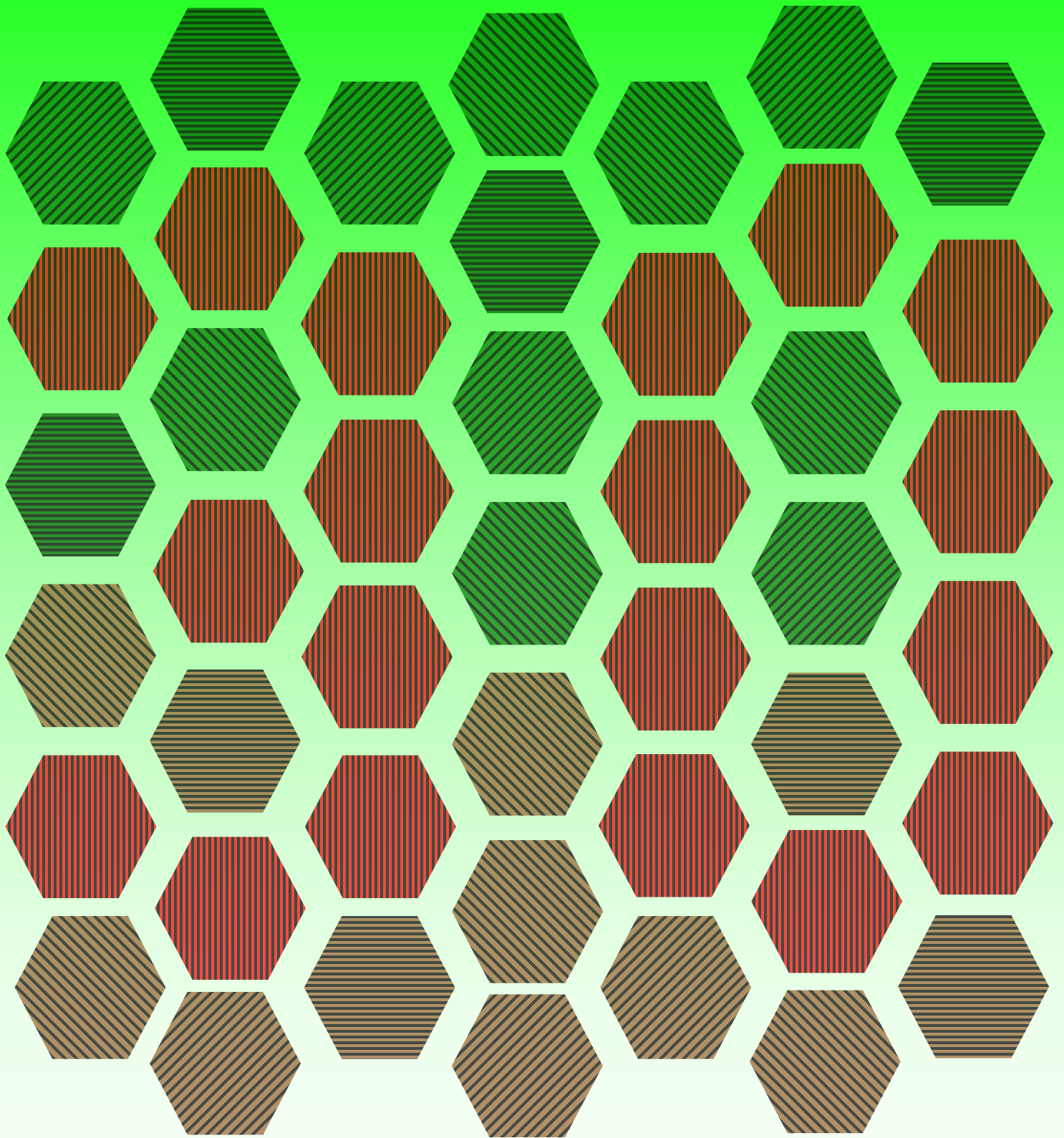
The Challenge: *Look at the cover of this report a little nearer to your eyes or just the normal distance when you are reading anything. Can you recognize a number instantly? Now hold it or place it farther and look at it a little longer. Can you see “30”? Why are images sometimes more visible at a distant?*

What you are seeing is the “next 30”.

I created this graphic to symbolize the importance of a VISION to an organization or to any individual. They guide you where you want to go, what you want to become or to achieve in the long run. A vision is our tomorrow that inspires us today. Sometimes, what we want to achieve may not happen instantly. They, too, can hardly be grasped when we try to have them at present. They may be half-cooked success if we push them to happen on a shorter term. Steps must be taken one at a time. We need to be diligent and hardworking so that the end of the journey, where our vision lies, will be truly rewarding.

The Scribe

Caution: The challenge may indeed be too challenging for individuals with impaired vision.



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