

2024

CARD BANK

INTEGRATED ANNUAL REPORT

ROADMAP TO 2030: Innovating the Way to Poverty Eradication





ABOUT THE COVER

Innovation is at the heart of CARD MRI's commitment to finding better ways to serve communities in need. The theme, "Innovating the Way to Poverty Eradication", reflects our mission to make financial services and community development programs more accessible and impactful.

A pedicab on a bamboo raft, steered by a boatman, symbolizes the daily journey of Filipino families, carrying their dreams while navigating life's challenges. The pedicab reflects the hardworking spirit of microentrepreneurs; the raft, CARD MRI's steady support.

Another image shows a woman rowing toward a farmer, both lit by the rising sun. The image highlights the strength and perseverance of those striving to provide for their families. The sun ray represents the hope and opportunities that CARD MRI brings, illuminating the path toward progress and prosperity.

At CARD MRI, we believe that poverty eradication is not just about the destination; it is about the journey we take together, the lives we uplift, and the future we build, one step at a time.



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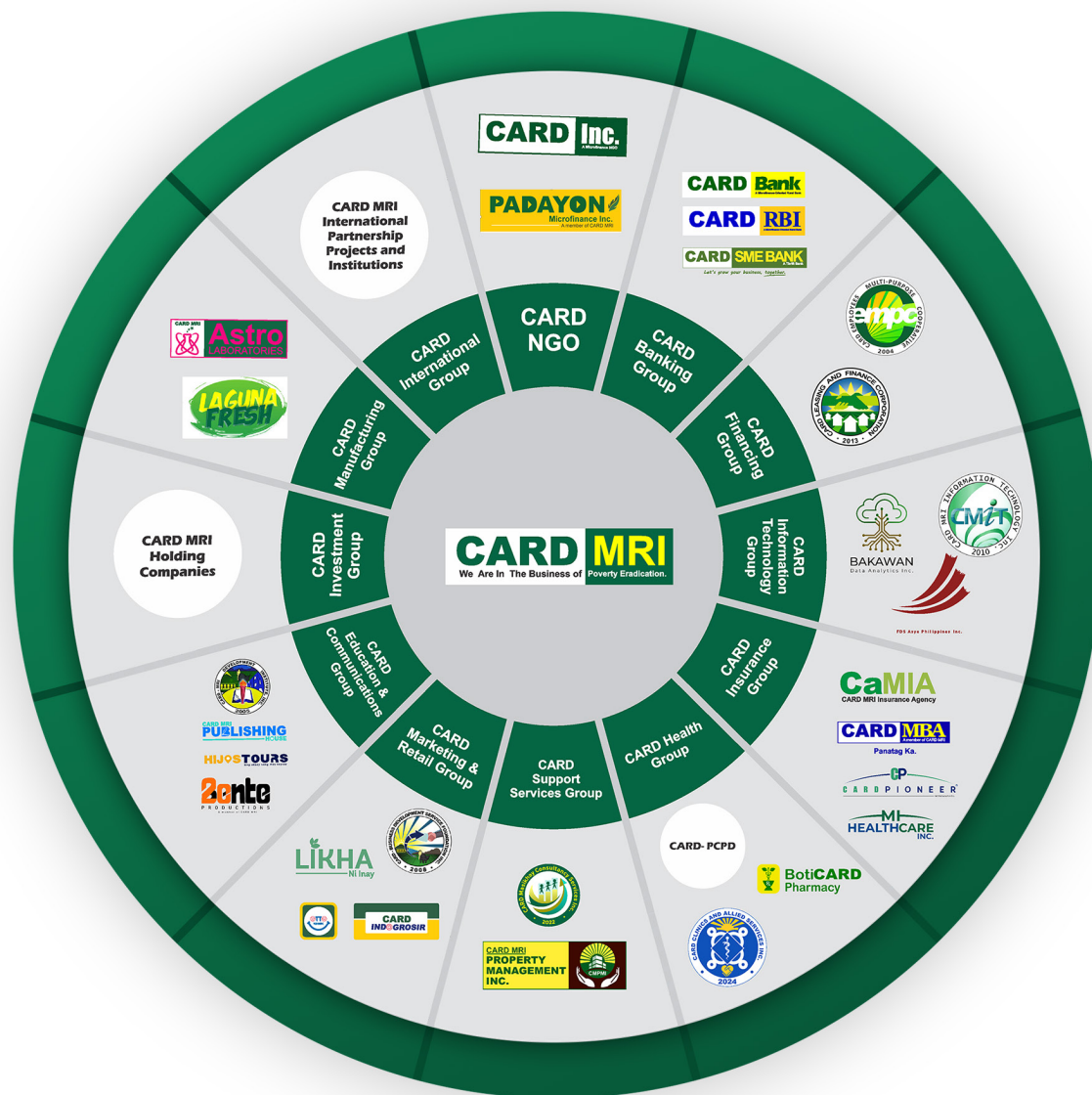


CARD Banking Group

CARD Bank, Inc. is the first microfinance-oriented rural bank in the Philippines to have evolved from a microfinance NGO. Driven by its commitment to financial inclusion, the bank offers essential financial services to underprivileged, unbanked, and underbanked Filipinos—including those in Muslim communities—empowering them to secure a better and more stable future.

Since its establishment in 1997, CARD Bank has been offering tailored financial solutions such as loans, savings, and remittance services. However, its mission goes beyond banking, adopting a holistic approach that focuses on the overall growth and development of its clients, aiming to create lasting, positive change in the communities it serves.

In partnership with CARD MRI, the bank provides a wide range of services, including microinsurance, education, healthcare, and capacity-building programs. By addressing both financial and social needs, CARD Bank contributes to building sustainable, empowered communities throughout the country.





VISION, MISSION & OBJECTIVES

VISION

CARD Bank is a world-class leader in microfinance and community-based social development undertakings that improves the quality of life of socially and economically challenged women and families towards nation building.

MISSION

CARD Bank is committed to

- Empower socially and economically challenged women and families through continuous access to financial, microinsurance, educational, livelihood, health and other capacity-building services that eventually transform them into responsible citizens for their community and the environment;
- Enable the women members to gain control and ownership of financial and social development institutions; and
- Partner with appropriate agencies, private institutions, and people and community organizations to facilitate achievement of mutual goals.

OBJECTIVES

As a microfinance-oriented rural bank, CARD Bank ultimately supports CARD MRI, a group of mutually reinforcing institutions dedicated to empowering the poor by upholding the core values of competence, family spirit, integrity, simplicity, humility, excellence, and stewardship. As one of the institutions of CARD MRI, CARD Bank envisions building a sustainable financial institution owned, managed, and controlled by landless rural women. CARD Bank makes this possible by providing continued access to financial services to an expanding client base, organizing and empowering landless rural women, and instilling the values of discipline, hard work, and saving in an atmosphere of mutual respect.

- To provide banking services specially designed for landless rural workers by bringing bank services to community sites and accommodating the least financial transactions within their affordability;
- To provide non-collateralized loans to non-bankable but viable projects;

CORE VALUES

The core values of CARD Bank—competence, family spirit, integrity, simplicity, humility, excellence, and stewardship—serve as the foundation of its work. These principles guide how the Bank serves its clients, supports its people, and builds stronger communities. With these values at its core, CARD Bank continues to move forward with hope, purpose, and a deep commitment to ending poverty.

Competence

Excellence is built through dedication and continuous learning. CARD Bank strengthens its people by providing the knowledge, skills, and values needed to serve with integrity and a deep commitment to clients.

Family Spirit

More than a workplace, CARD Bank is a home where employees and clients stand together. Shared struggles, victories, and unwavering support create relationships that go beyond service.

Integrity

Honesty and accountability define every action. CARD Bank remains true in its commitment to fairness, ensuring that trust is not just given—but consistently earned.

Simplicity

True service is clear and purposeful. CARD Bank values straightforward actions and genuine connections, allowing its mission to remain focused on what truly matters—empowering people.

Humility

Greatness is measured by the willingness to serve. CARD Bank listens, learns, and walks alongside its clients, treating every individual with equal respect and understanding.

Excellence

There are no limits to progress. CARD Bank constantly seeks new ways to improve, innovate, and create lasting impact, ensuring that every effort brings positive change to more families.

Stewardship

Every resource entrusted to CARD Bank carries a greater purpose. With care and responsibility, financial, human, and institutional assets are managed to ensure sustainability for generations to come.

BUSINESS MODEL

OUR CAPITALS

FINANCIAL

CARD Bank strategically uses its financial resources to expand outreach, enhance services, and support the United Nations Sustainable Development Goals, including environmental sustainability. These investments drive continuous improvement in serving clients and communities while promoting responsible practices

- Total Assets: **PHP 29,993,850,159.13**
- Total Capital: **PHP 10,040,111,820.00**

MANUFACTURED & INTELLECTUAL

CARD Bank ensures accessibility through a well-placed branch network in rural and urban areas, prioritizing client and employee safety. Investments in technology, including the Core Banking System (CBS) and Loan Origination Monitoring System (LOMS), enhance efficiency and promote paperless transactions. The bank also works with local communities to expand financial access.

- Head Office: **1**
- Branches: **100** (including **Islamic Branch**)
- Branche-lite Units (BLUs): **540**
- Automated Teller Machine (ATM): **64**
- Digital Cash Machine (DCM): **111**
- konek2CARD Agents: **8,102**

HUMAN

CARD Bank remains committed to fostering a highly skilled and dedicated workforce. Continuous training, development programs, and international exposure opportunities ensure employees are equipped to meet the evolving needs of the financial sector.

- Employees: **5,538** (Men: **34%**, Women: **66%**)
- Training expenditure: **PHP 78,446,202.22**

SOCIAL & RELATIONSHIP

CARD Bank primarily serves low-income individuals and microentrepreneurs, particularly in rural and underserved areas. By delivering financial services tailored to their needs, the institution actively promotes social development and economic empowerment.

- Years of Value-added Services: **27 Years**
- Accounts Served: **4,372,793**
- Partners: **18**

NATURAL

CARD Bank integrates sustainability into its operations by minimizing environmental impact through energy-efficient initiatives and eco-friendly programs.

- **11,475** trees planted
- **25.59** tons of reduced papers with the digital implementation

THE VALUE WE CREATE



EMPLOYEES

We empower our employees by providing a positive and thriving workplace that fosters creativity, learning, and development.

- Payments to Employees: **PHP 2.11B**
- Trainings (Total Amount Paid): **PHP 78.4M**



INVESTORS

We maintain our investor's trust by ensuring transparency and prudent risk management through monthly board meetings and the publishing of annual reports on the website.



GOVERNMENT & REGULATORS

CARD Bank upholds compliance and integrity through partnerships with the *BSP, *SEC, *PDIC, *NPC, *DOLE, *SSS, *PhilHealth, Pag-IBIG Fund, and *DENR.

- Total Number of Government Remittances: **4**
- Total Amount of Paid Taxes: **PHP 1,487,364,460.51**



CLIENTS & COMMUNITIES

CARD Bank actively promotes financial inclusion by offering products and services that support entrepreneurship, education, and community development.

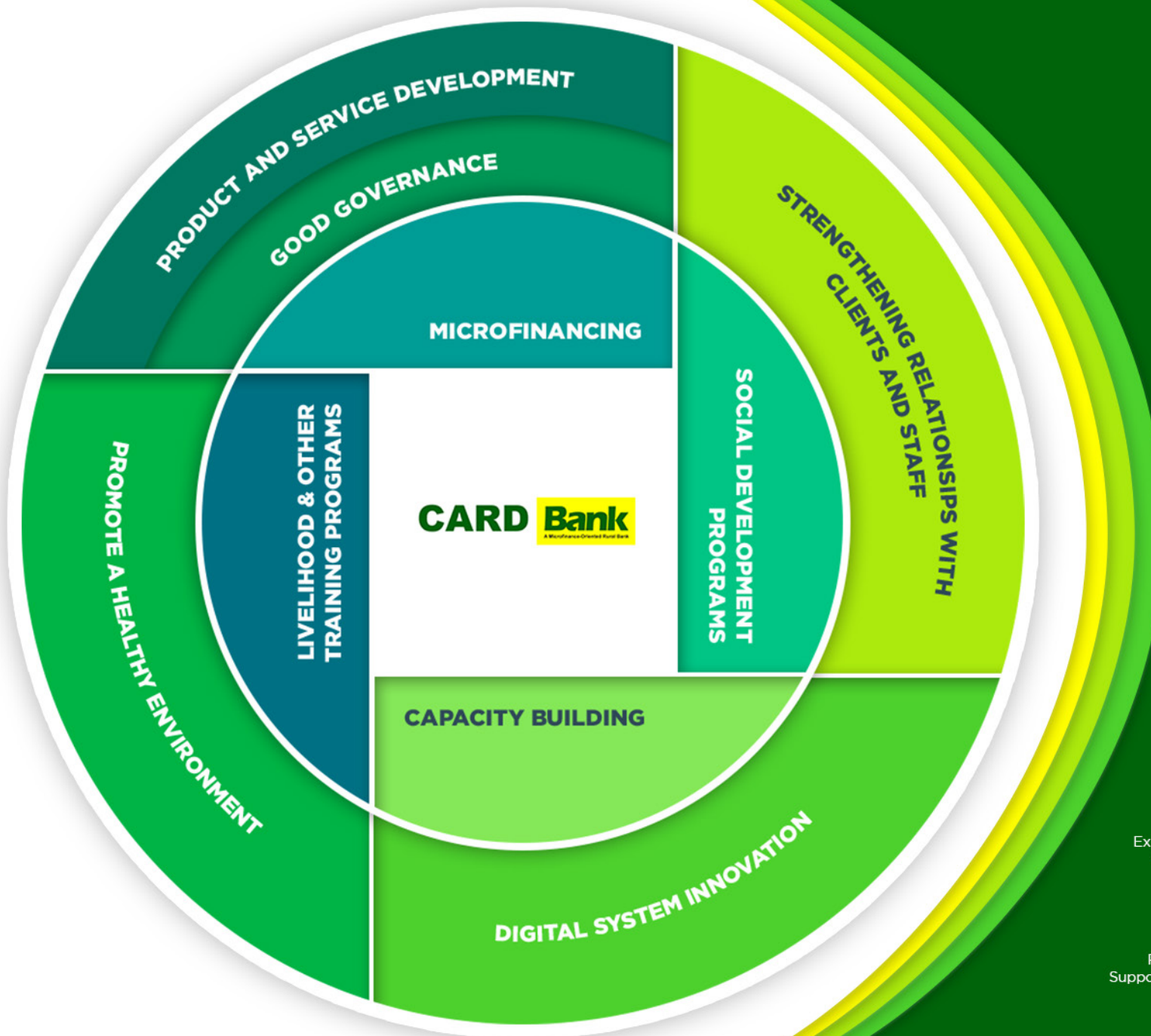
- **1,205** clients attended CARD Bank Sponsored Helath Webinar
- **73,712** No. of Health Programs Availment
- **769** No. of Scholars

VALUE CREATIONS

HOW WE CREATE VALUE BUSINESS OPERATIONS



STRATEGIES



SUSTAINABILITY STRATEGY

RESPONSIBLE BANKING

- Expands financial access for underserved communities
- Offers client-centered and ethical financial solutions
- Strengthens transparency and governance
- Conducts financial literacy and business training

RESPONSIBLE OPERATIONS

- Reduces paper use through digital banking solutions
- Supports renewable energy and green financing initiatives
- Enhances cybersecurity and data protection
- Implements resource-efficient practices in offices



Back to Basics, Forward to Innovation: Paving the Way to a Poverty-Free Future

Dr. Jaime Aristotle B. Alip
CARD MRI Founder & Chairman Emeritus

Looking back at the humble beginnings of CARD, I recall how far we have come and how much we have achieved, not only as an institution but as a community of individuals who shared the same vision: to empower those who needed it most, to provide opportunities for those who had none, and to enable people to overcome the confines of poverty. I recall when our journey began with a handful of passionate people who felt the world could be a better place where no one would be left behind. From there, we embarked on a mission that seemed overwhelming at the time, but one that became our beacon of hope—assisting the underserved in realizing their dreams step by step.

We began small with a single mission—serving people experiencing poverty through microfinance. We aspired to create a system that would bring lasting change. But as we progressed, we understood that financial services were insufficient. We had to engage more intimately with our clients, learn about their needs, and provide a comprehensive solution to community development. And so, we grew. We transformed. We learned. And in doing so, we learned that true change starts not with the financial products we provide but with the relationships we form and the trust we gain from the people we serve.

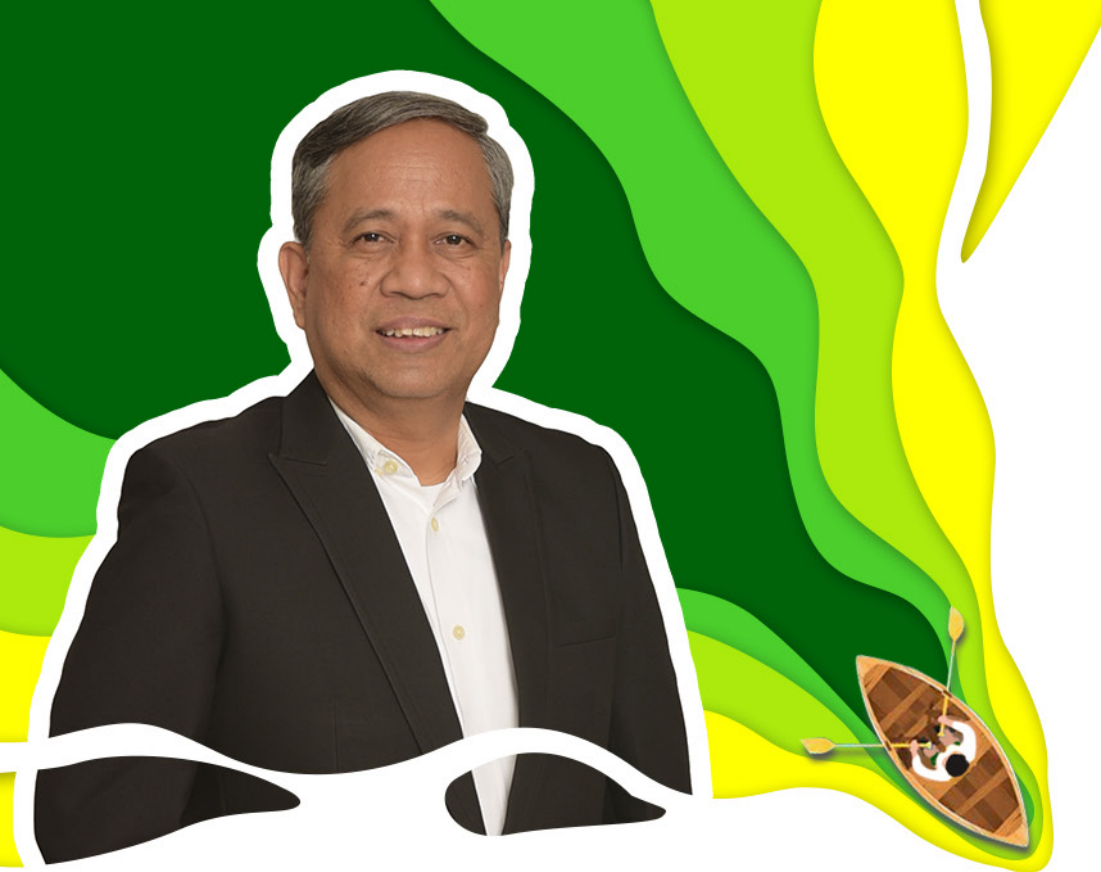
It has not been simple. There were roadblocks along the way—obstacles that seemed insurmountable. But with every failure, we grew stronger. Our desire to help others only intensified. We stuck to our cause and understood that what we were doing was far from complete. Persevering, we developed what we now have: an interlinked web of institutions and programs that make a difference to millions of lives. What started as an endeavor to get financial access underway became a movement to enable people to liberate themselves from poverty.

As we look back at the milestones we have achieved, I am filled with gratitude. But even as we bask in our triumph, we should keep our eyes on the road ahead. The journey is far from over. The road to eliminating poverty is long and arduous, but it is worth taking. The next chapter in this journey is all about innovation.

This year, our theme, “Road Map to Innovating the Way to Poverty Eradication,” reminds us that we have to keep adapting. But as we peer into the future, we also need to keep in mind the basics that brought us to this point in the first place: a commitment to our values, a focus on relationships, and a determination to make a difference. As we innovate, we must ensure that we never forget the fundamentals. These values that have always directed us will continue to be our guide as we go forward. And in this new age of innovation, we must remain anchored in the basic principles that have brought us where we are today.

CARD Bank started from humble beginnings with a simple but powerful goal: to provide accessible financial services to underserved communities. Over the years, it has grown significantly, and in 2024, it achieved a significant milestone by opening its first Islamic branch and expanding its reach to Muslim communities. This new initiative reflects the bank’s ongoing commitment to financial inclusion and innovation. CARD Bank’s focus on client empowerment and financial literacy has always been at the heart of its mission, helping individuals achieve financial independence. As it moves forward, it remains grounded in its values, adapting to the changing needs of its clients while staying true to its original purpose.

So, as we continue on our path toward poverty eradication, let’s not forget the things that truly matter. Let’s continue to work with integrity, build trust, and always remember the people we are working for. Our journey requires patience, resilience, and unwavering dedication. We’ve come so far, but we must continue moving forward. Together, we will create a better future for all.



Building on our Foundations for a Stronger Future

Mr. Aristeo A. Dequito
CARD MRI Managing Director

As we look back at what we have achieved and what we have learned, we are reminded that the path to poverty eradication requires constant evolution and change. The challenges we face are complex, and they demand innovative solutions. But as we look to the future, we must also recognize the importance of going back to basics. This year's theme, "Road Map to Innovating the Way to Poverty Eradication", explores new and better ways to achieve our mission. However, the core message is clear: before we innovate, we must return to the foundations that have always been our strength.

The "Back to Basics" campaign may be unconventional to many people, particularly when change and innovation are so much prized. But in reality, this is a call to refocus on the essential elements that have helped us succeed—elements that should never be overlooked in our pursuit of progress. Fundamentally, this reminds us that even as we adopt new technologies, new methods, and new concepts, the core values that have long guided our work— competence, family spirit, integrity, simplicity, humility, excellence, and stewardship—remain the pillars upon which everything we do should rest.

Returning to our roots is a chance to realign ourselves to the mission and values that have brought us this far. Through the years, we have rolled out numerous new services, programs, and solutions in response to our communities' changing needs. And though these innovations have been crucial in expanding our reach and impact, they are not an end in themselves. They are merely instruments—tools that aim to improve lives and eradicate poverty. And for these tools to matter, they need to be anchored in the values that have guided our organization all along.

Going back to basics also means revisiting the principles of financial inclusion and understanding the deep impact of our work on the communities we serve. The financial services we offer are only part of the picture. It is the trust we establish with our clients, the relationship we foster, and the care we show to enable people to change their lives. As we look to innovate, we must ensure that every new service and initiative is built with this understanding at its heart.

Getting caught up in the excitement of new ideas is easy, but it is essential to remember that innovation is most powerful when grounded in purpose. That is why this "Back to Basics" campaign exists. It reminds us to keep our eyes on what really matters—serving others, building lasting relationships, and maintaining our values of integrity. These things will always be central to what we do.

As we continue to innovate and adapt, we must remain focused on the values that have guided us from the beginning. We must continue to listen to our communities, understand their needs, and adapt our services to meet them in ways that truly make a difference. The road to poverty eradication is long and will not be without its challenges. But with the basics as our foundation, we can continue to move forward with purpose, confidence, and a clear vision of the future we want to create.



Empowering Filipinos through Inclusive and Sustainable Financial Services

Ms. Marivic M. Austria
President & CEO

At CARD Bank, we believe financial services should be a bridge to a better life—not a privilege for a few. Every loan we grant, every savings account we open, and every financial literacy session we hold brings us closer to a future where no Filipino is left behind.

As we move forward, our mission remains clear: to break barriers, open opportunities, and uplift communities. Innovation drives our work—not just to keep pace with change, but to lead in financial inclusion, sustainability, and community-driven growth. Yet, even as we embrace new ways to serve, we stay true to our core values: Competence, Family Spirit, Integrity, Simplicity, Humility, Excellence, and Stewardship (CFISHES), staying committed to making a meaningful difference in the lives of those we serve.

Expanding Access, Changing Lives

In 2024, we took bold steps to make financial services truly accessible. A key milestone was the launch of our first Islamic banking branch in Cotabato City,

providing culturally appropriate financial solutions for our Muslim brothers and sisters. This is just one of many ways we continue to adapt and innovate, ensuring that every Filipino, regardless of background or location, has access to financial opportunities.

Beyond expansion, we deepened our impact on financial inclusion. Through micro and SME loans, savings programs, and insurance products, we helped microentrepreneurs, farmers, and families build financial security. By December 2024, we disbursed PHP 44 billion in loans, enabling thousands of clients to grow businesses, send children to school, and invest in their future.

Financial inclusion is not just about access to capital—it is also about education. Through our financial literacy programs, we equip clients with knowledge and skills to make sound financial decisions, ensuring their progress is not just temporary, but sustainable for generations to come.

Building a Future of Sustainability and Innovation

True progress is measured not just in numbers but in the lives we uplift. Sustainability remains a key pillar of our vision, shaping how we operate and serve. We also took steps to reduce our environmental footprint. Through our konek2CARD app, now serving 1,150,073 active users, we promote paperless transactions and resource-efficient banking. Our tree-planting efforts in Mindoro, Iloilo, Daet, Tacloban, Capiz, and Mati reflect our commitment to environmental preservation.

Sustainability also means building a strong, ethical, and client-centered bank. In 2024, we strengthened cybersecurity, enhanced governance frameworks, and reinforced transparency and accountability measures to protect our clients' trust.

A Shared Vision for a Stronger Tomorrow

As we move forward, our commitment to responsible banking and poverty eradication remains at the heart of everything we do. While technology opens new doors, what truly drives us is understanding the needs of the people we serve and providing financial solutions that make a real difference in their lives.

In 2025, we will take bold steps to make banking more accessible and secure. Upgrading our core banking system will improve efficiency, while QR PH integration and enhancements to **konek2CARD**, including availability on iOS, will make transactions even more seamless. We will also introduce biometric authentication for safer and more convenient banking. At the same time, we are expanding our reach with a new branch in Marawi, ensuring more Filipinos have access to financial services tailored to their needs.

The path ahead is not without challenges, but every innovation we introduce and every community we reach brings us closer to a future where financial security is within everyone's grasp. With technology, dedication, and a deep sense of purpose, we are not just strengthening CARD Bank—we are helping build a stronger, more financially inclusive Philippines.

BOARD OF DIRECTORS

Dr. Jaime Aristotle B. Alip
Chairperson

Dr. Dolores M. Torres
Vice Chairperson

Ms. Marivic M. Austria
Director / President & CEO

Dr. Lorenza DT. Bañez
Director / Corporate Treasurer

Ms. Ma. Luisa P. Cadaing
Director

Dr. Gilberto M. Llanto
Director

Mr. Arthur M. Bautista
Independent Director

Ms. Maria Belen M. Llamas
Independent Director

Ms. Ruby M. Coma
Independent Director



MANAGEMENT COMMITTEE



Ms. Marivic M. Austria
President and CEO

Ms. May S. Dawat
Executive Vice President for
Finance and Accounting

Ms. Laarne D. Paje
Executive Vice President
for Audit

Mr. Jeffrey M. Rondina
Executive Vice President for Compliance

Ms. Clarita G. Mercado
Senior Vice President
for Operations

Ms. Glenda C. Magpantay
Senior Vice President
for Operations

Ms. Rowena F. Galarde
Senior Vice President
for Finance and Admin

Ms. Rosafe Matunan
Vice President for
Human Resources

Mr. Ronnie D. Fallega
Vice President for Operations

Mr. Anver D. Regalado
Assistant Vice President
for Risk

Mr. Fidel P. Dumalaog
Assistant Vice President for IT

Mr. Paul Zedrick H. Dorado
Assistant Vice President for IT



Mr. Jonel A. Rapera
Assistant Vice President
for Mobile Financial Services

Ms. Marissa Carandang
Assistant Vice President
for Operations

Ms. Rizaline A. Manalo
Assistant Vice President
for Operations

Mr. Juanito I. Dela Cueva
Assistant Vice President
for Mobile Financial Services

Ms. Raquel B. Zaragoza
Assistant Vice President
for Operations

Ms. Zabeth M. Opis
Assistant Vice President
for Operations

Ms. Ma. Charissa M. Adorna
Assistant Vice President for Audit

Ms. Baby Analyn A. Malaborbor
Assistant Vice President
for Operations

Ms. Medy M. Valenzuela
Assistant Vice President
for Operations

Ms. Jenet R. Constantino
Assistant Vice President
for Operations

Ms. Geralyn C. Macasinag
Assistant Vice President
for Operations

Ms. Maria Myleen A. Dimaano
Assistant Vice President
for Compliance OIC



Ms. Haide B. Bautista
Deputy Director for Reports
and Data Management

Mr. Aldrin B. Quimoyog
Deputy Director for
Customer Service OIC

Mr. Rex P. De Lumban
Deputy Director
for Remittance

Mr. Venancio C. Elaurza
Regional Director

Ms. Ma. Luella S. Bulalacao
Regional Director

Mr. Fundard A. Buncaras
Regional Director

Ms. Maria Fe C. Busadre
Regional Director

Ms. Josie P. Cruzin
Regional Director

Ms. Genalyn L. Decillo
Regional Director

Ms. Jessica J. Dichoso
Regional Director

Ms. Marissa P. Escalona
Regional Director

Mr. Joseph I. Labastida
Regional Director



Ms. Jocelyn L. Lampas
Regional Director

Ms. Wilma D. Laurio
Regional Director

Ms. Leonisa M. Manalo
Regional Director

Ms. Leslie C. Marcaida
Regional Director

Ms. Shiela M. Nuñez
Regional Director

Ms. Ruth L. Ogbac
Regional Director

Ms. Maridel C. Mendoza
Regional Director

Ms. Shiela N. Mercado
Regional Director

Ms. Jerlen B. Merdegia
Regional Director

Ms. Ace B. Montes
Regional Director

Ms. Benny Tess L. Ola
Regional Director

Ms. Janet D. Paz
Regional Director



Ms. Maria Fe L. Yap
Regional Director

Ms. Eilen A. Reanzares
Regional Director

Ms. Venancia M. Salazar
Regional Director

Ms. Elyn S. Saludo
Regional Director

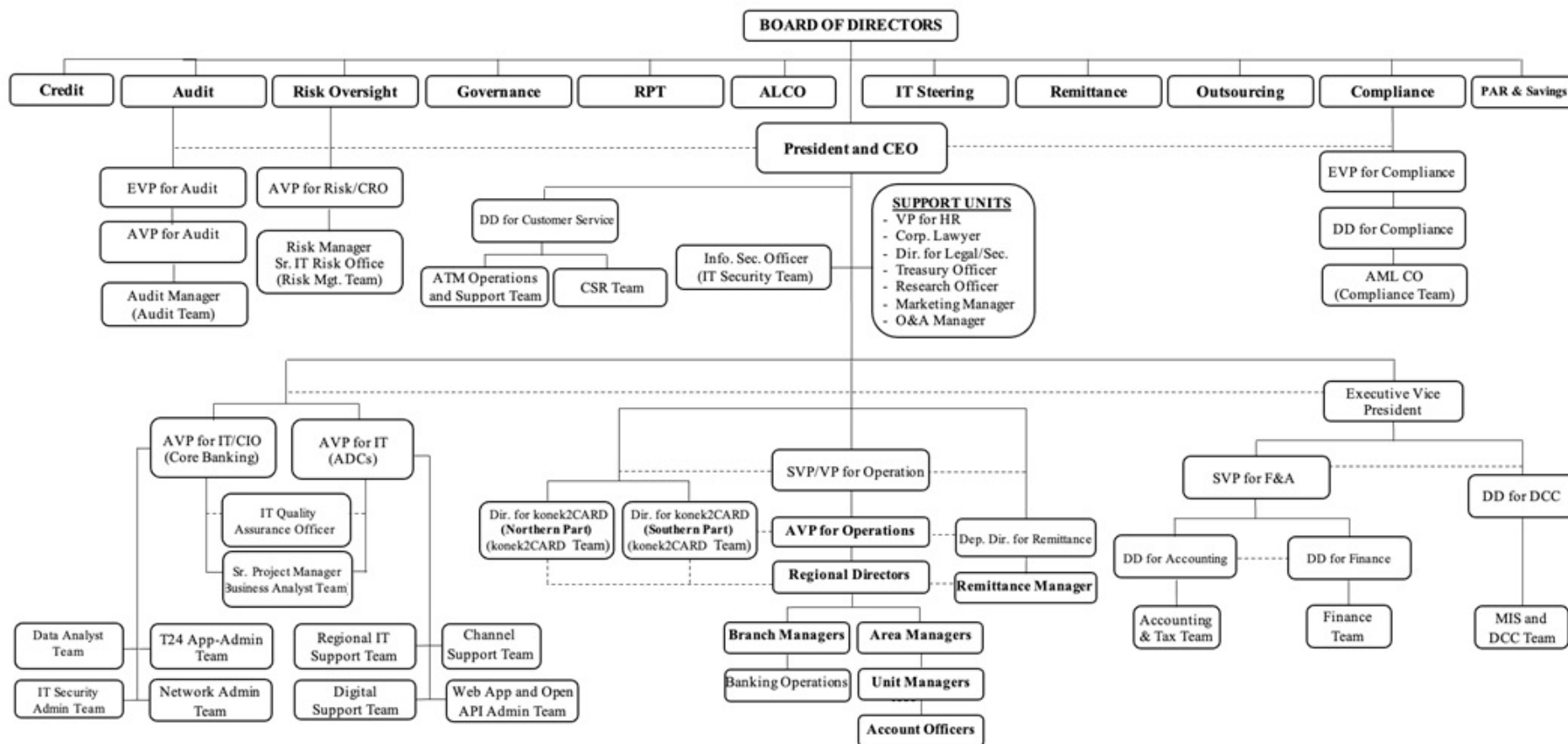
Mr. Michael L. Dimaano
Regional Director

Atty. Samuel John Abarcar
Corporate Lawyer

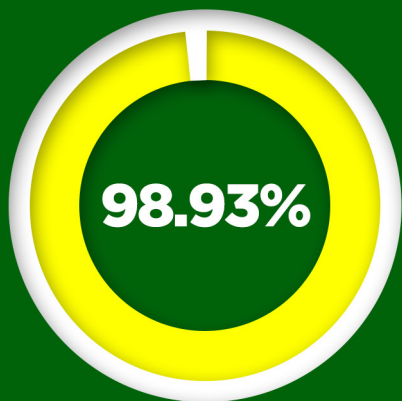
Ms. Jenelyn C. Melgar
Finance

ORGANIZATIONAL CHART

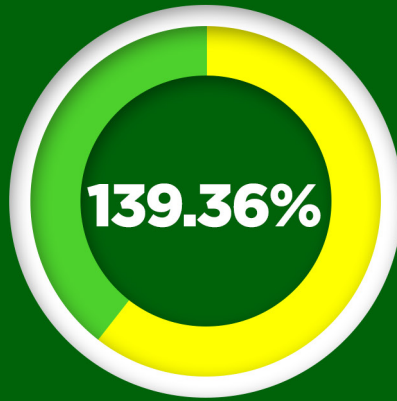
CARD Bank, Inc.
Operations and Support Organizational Chart (High Level)



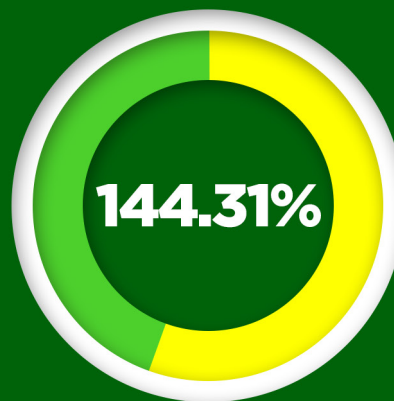
LEGEND: EVP (Executive Vice President); SVP (Sr. Vice President); VP (Vice President); AVP (Assistant Vice President); DD (Deputy Director) IT (Information Technology); F&A (Finance and Accounting); MIS (Management Information System; Apps (Application); ADC (Alternative Delivery Channel); CO (Compliance Officer); DPO (Data Privacy Officer); CSO (Customer Service Officer); SO (Savings Officer); DCC (Data Control Center)



Repayment Rate



Financial Self-Sufficiency



Operational Self-Sufficiency

LOANS DISBURSED

PHP **44,682,902,880.00**

LOANS OUTSTANDING

PHP **17,004,182,144.00**

SAVINGS

PHP **18,054,964,495.00**

CLIENTS SERVED

4,372,793

ACTIVE CLIENTS WITH LOANS

1,573,495

CLIENT INCLUDING SAVERS

2,479,773



Branches & Offices

101



Branch Lite Units

540



Staff

5,538

AT A GLANCE

FINANCIAL HIGHLIGHTS

Minimum Data Required	Year Ended	
	2023	2024
Profitability		
Total Net Interest Income	Php 7,049,572,419	Php 8,444,319,443
Total Non-Interest Income	Php 232,337,921	Php 253,829,886
Total Non-Interest Expense	Php 4,300,424,935	Php 5,001,949,994
Pre-Provision Profit		
Allowance for Credit Loss	Php 509,081,951	Php 638,150,174
Net Income	Php 2,456,544,424	Php 3,066,937,022
Selected Balance Sheet		
Liquid Asset	Php 2,475,503,340	Php 5,482,871,898
Gross Loans	Php 15,640,358,962	Php 17,004,182,144
Total Asset	Php 25,046,979,912	Php 29,916,422,965
Total Deposit	Php 15,699,644,972	Php 18,054,964,495
Total Equity	Php 8,138,143,581	Php 9,982,726,827
Selected Ratios		
Return on Average Equity	33.60%	33.85%
Return on Average Assets	10.30%	11.16%
Net Interest Margin	31.01%	31.96%
Selected Balance Sheet Data		
Cash Dividend Declared	Php 906,838,548	Php 1,185,169,295
Head Count		
Officers	1,445	1,478
Staff	4,069	4,060

Capital Structure and Capital Adequacy		
Tier 1 Capital		
Paid Up Common Stock	Php 2,991,573,300	Php 2,993,443,100
Retained Earnings	Php 1,309,023,894	Php 2,580,399,023
Undivided Profit	Php 2,456,544,424	Php 3,066,937,022
Deferred Tax Asset, net of deferred tax liability	(Php 99,599,485)	(Php -148,393,628)
Total Core Tier 1 Capital	Php 6,657,542,133	Php 8,492,385,516
Tier 2 Capital		
Paid Up perpetual and cumulative preferred stock	Php 1,372,014,600	Php 1,380,014,600
General Loan Loss Provision	Php 177,940,545	Php 232,169,480
Total Core Tier 2 Capital	Php 1,549,955,145	Php 1,612,184,080
Gross Qualifying Capital	Php 8,316,084,127	Php 9,130,437,388
Deductions from Tier 1 and Tier 2 Capital	(Php 850,376,691)	Php 936,064,790
TOTAL QUALIFYING CAPITAL	Php 7,465,707,436	Php 10,066,502,179
Capital Requirements for Credit Risks	Php 17,896,530,357	Php 22,343,871,167
Capital Requirements for Market Risks		
Capital Requirements for Operations Risks	Php 9,609,262,051	Php 9,609,262,051
Total and Tier 1 Capital Adequacy Ratio	26.99%	28.65%

What we accomplished in 2024

ECONOMIC

Net Income: **PHP 8,444,319,443.00**

Surplus (Retained Earnings): **PHP 2,582,399,023.00**

Loan Portfolio: **PHP 17,004,182,144.00**

ENVIRONMENTAL

Trees Planted: **11,745**

Solar Loan Clients: **PHP 1,127,400.00**

SOCIAL

Scholars: **12,215**

Health Availment: **73,712**

GOVERNANCE

Audit Rating: **91.50%**

CARD Bank is committed to inclusive economic growth, sustainability, social responsibility, and strong governance. We provide affordable financial services, support microentrepreneurs, and promote digital banking to help communities build financial security. Our financial literacy and business training programs empower clients to make informed decisions, fostering resilience and long-term progress.

We actively promote environmental sustainability through tree-planting, energy-saving initiatives, and renewable energy financing, ensuring our growth has minimal impact on the planet. Beyond banking, we drive social change by advocating for financial inclusion, gender equality, and community development while addressing healthcare and disaster relief needs.

Upholding transparency, accountability, and ethical leadership, we strengthen regulatory compliance, cybersecurity, and diversity in leadership. Through responsible banking practices, we safeguard client trust and reinforce our role as a reliable financial institution dedicated to long-term impact.

Economic

Empowering Filipinos through Financial Services

CARD Bank remains committed to its mission of empowering Filipino families by providing accessible financial and banking products and services that drive economic growth. With a primary focus on micro, small, and medium-sized enterprises (MSMEs), CARD Bank continues to be a strong partner in financial inclusion, ensuring that individuals and communities have the means to achieve financial stability and success. In 2024, CARD Bank continued to drive economic growth by expanding financial services to underserved communities. A landmark achievement was the opening of an Islamic Branch in Cotabato City, offering culturally sensitive banking solutions tailored to the needs of Muslim Filipinos. Through our partnership with Hybrid Social Solutions Incorporated, we also strengthened our support for economic resilience in remote areas. By maintaining ethical financial practices and transparent reporting, we remain committed to creating long-term value for our stakeholders.

As of December 2024, CARD Bank has disbursed loans amounting to PHP 44,682,902,880 to 1,573,495 clients nationwide, reinforcing its dedication to fostering economic opportunities. In addition, the Bank's total savings deposits have reached PHP 18,054,964,495, reflecting the trust of its clients and their growing financial awareness. These milestones highlight the Bank's ongoing efforts to uplift Filipino families from poverty through sustainable financial solutions.

Recognizing the continued challenges brought by external factors such as economic fluctuations and global uncertainties, CARD Bank has strengthened its operational strategies to ensure clients have uninterrupted access to loans. These strategies have facilitated faster recovery for businesses and individuals, helping them overcome financial hurdles. One notable achievement is the improvement in the Bank's Portfolio at Risk (PAR) status. From December 2023 to December 2024, the number of branches rated as low risk increased from 31 to 42. Meanwhile, high-risk branches decreased from 2 to 1. This shows the Bank's commitment to identifying and managing risks more actively across its network.

Through the Back-to-Basics strategy, the Bank has successfully reactivated 25,020 clients and visited 106,666, collecting over PHP 53,869,326.00 in bad debts from 105,721 clients. CARD Bank also takes pride in maintaining a 98.93% repayment rate among its 4.4 million clients nationwide. This remarkable repayment rate speaks volumes about



the effectiveness of the Bank's financial literacy programs, responsible lending practices, and its strong relationship with its clients.

Looking ahead, CARD Bank is set to introduce the Magalang Saving Deposit specifically designed for senior citizens, providing aging clients with a secure way to save for their retirement. In fact, the Magalang Savings Deposit was launched in February 2024 and has already gained traction with 1,784 accounts opened and a total savings volume of PHP 216.307 million generated as of December 2024. This product affirms the Bank's dedication to serving vulnerable sectors of society by promoting financial security and dignity in later life. The Bank also plans to enhance its financial services portfolio, ensuring that more Filipinos, regardless of their economic status, have access to banking solutions that cater to their needs.

Employment and Job Generation

For over two decades, CARD Bank has been a key player in employment generation, providing opportunities to thousands of individuals who share its mission of uplifting the underserved. As of December 2024, CARD Bank employs 5,538 individuals across its network, ensuring fair compensation, career growth, and benefits at every level—from account officers working closely with clients to the executive management team steering the institution's direction.

The employment opportunities provided by CARD Bank not only benefit its employees but also contribute to local economies. Many staff members use their earnings to support family businesses, invest in their children's education, and improve their households' overall quality of life. Through its people-centric approach, CARD Bank continues to create a positive impact on both its workforce and the communities it serves.

Geographical Positioning

With one of the most extensive branch networks under the CARD MRI group, CARD Bank remains a frontrunner in financial inclusion. By continuously expanding its reach, the Bank ensures that Filipinos in urban, rural, and geographically isolated areas have access to essential financial services.

A significant milestone in 2024 is the opening of the country's first Islamic banking branch licensed by the Bangko Sentral ng Pilipinas (BSP). This initiative is a significant step in addressing the financial needs of Muslim communities, demonstrating CARD Bank's commitment to inclusive banking. By providing

financial products tailored to the cultural and religious values of Muslim Filipinos, the Bank is fostering a more inclusive and equitable financial ecosystem in the country. As of December 2024, the Islamic banking branch has served a total of 5,115 clients, providing both financing services and Shari'ah-compliant savings through its four established units.

Further expanding its services, CARD Bank continued to enhance its product offerings. The Home Essential Loan, launched to support clients in acquiring basic appliances and making necessary home improvements, has been well-received. With a total of 18,776 loan releases amounting to PHP 135.406 million across 35 branches, this product underscores the Bank's commitment to improving the quality of life for its clients. In addition, the Bank supported small and growing enterprises through its MF wholesaler and retailer loan, particularly under the Ottokonek project, which empowers clients to become distribution hubs and grow their businesses sustainably.

1,784

**Magalang Savings Deposit
Accounts**

5,115

**Clients Served in Islamic
Branch**

Remittance services also marked a notable milestone with the Bank's partnership with Petnet through the Pera Hub platform. This partnership has enhanced the accessibility and reliability of domestic and international remittance services, helping clients send and receive funds more conveniently. The Bank's total remittance accomplishment reached 121,462 transactions in 2024, amounting to PHP 1.04 billion and generating PHP 4.5 billion in gross income—demonstrating its vital role in supporting the financial connectivity of families, especially those with members working overseas.

Additionally, the Bank continued to offer its Credit Line facility, which provides flexible and recurring access to funds for microentrepreneurs and small business owners. This initiative further reinforces CARD Bank's commitment to empowering clients to manage and grow their livelihood ventures.

In terms of operational developments, CARD Bank successfully implemented the transfer of its Pasay Branch in 2024, part of its broader effort to streamline and modernize branch operations across key locations. This move complements the Bank's geographical positioning strategy, ensuring improved accessibility and client experience while maintaining strong community engagement.

Digital Transformation and Optimization

Innovation has always been at the heart of CARD Bank's operations. The Bank consistently seeks ways to simplify, accelerate, and optimize financial and banking services through digital solutions.

One of the Bank's key digital initiatives is konek2CARD, a flagship mobile banking service that provides clients with seamless access to financial transactions anytime, anywhere. As of December 2024, the number of active konek2CARD users has grown to 1,150,073, and the Bank has generated additional income for 8,102 konek2CARD agents who facilitate financial transactions in communities. This growth underscores the increasing adoption of digital banking, enabling clients to manage their finances more conveniently.

Beyond mobile banking, CARD Bank is continuously upgrading its digital infrastructure to improve security, efficiency, and customer experience. The Bank's commitment to modernization was evident in the standardization and digitalization of several branch offices in 2024, including those in Tagum, Gumaca, Legazpi, Libmanan, Dolores, and Puerto Galera. These enhancements ensure that clients across different regions receive the same level of quality service and access to digital tools. Moving forward, the Bank aims to integrate more digital solutions, expand its mobile banking features, and enhance cybersecurity measures to ensure safe and reliable transactions for all clients.

Through these efforts, CARD Bank remains steadfast in its contribution to national economic growth, bridging financial gaps, and fostering a more financially inclusive Philippines.



Environmental

Sustainability Initiatives and Environmental Responsibility

The 17 Sustainable Development Goals (SDGs) set by the United Nations serve as a guiding framework for businesses worldwide, urging them to implement strategies that holistically address environmental, economic, social, and governance (EESG) challenges. In line with this, the Bangko Sentral ng Pilipinas (BSP) has mandated commercial and rural banks in the Philippines to integrate sustainability into their operations and report on their EESG initiatives.

Although sustainability is still a developing concept in the banking industry, CARD Bank has proactively launched several initiatives to create environmental awareness and action among its employees, clients, and partner communities. One of the Bank's first milestones in 2023 was the appointment of a Sustainability Officer to oversee and implement sustainability policies and projects within the organization. This role has been crucial in ensuring that the Bank's environmental programs are effectively executed and reported.

Expanding Green Initiatives

In 2024, CARD Bank strengthened its sustainability efforts through multiple tree-planting activities across different locations, including Mogpog in Marinduque, San Jose in Occidental Mindoro, Pandan and Leganes in Iloilo, Mercedes in Daet, Malalag in Davao del Sur and Catbalogan, Tanauan and Palo in Leyte, Danao City in Cebu, Roxas Capiz, and Mati in Davao. These initiatives reflect the Bank's commitment to preserving biodiversity and reducing its carbon footprint.

Building on previous efforts, CARD Bank has also expanded its sustainability programs by:

- Increasing the number of tree-planting activities in different regions
- Partnering with organizations to support renewable energy adoption among clients
- Enhancing waste reduction programs by promoting paperless transactions
- Implementing Solar Loan in 29 branches to promote clean and affordable energy solutions
- Encouraging eco-creativity through Taka (papier-mâché) Coin Bank Making sessions, where seven staff members repurposed paper waste into meaningful art—recycling a total of 0.7 kg of paper.

Through these efforts, CARD Bank continues to integrate sustainability into its operations — contributing to a healthier planet while empowering communities.





Promoting Renewable Energy and Digital Sustainability

One of CARD Bank's most notable achievements in 2024 is its continued partnership with Hybrid Social Solutions Incorporated, enabling clients to access solar panel loans. This initiative empowers Filipino households—especially in off-grid areas—to transition to sustainable energy solutions, reducing reliance on non-renewable sources. As of December 2024, the Solar Loan has been rolled out in 29 branches and has served a total of 289 clients, highlighting the Bank's active role in addressing energy access challenges while promoting greener alternatives.

Additionally, the Bank's konek2CARD app plays a crucial role in minimizing paper waste. By December 2024, the number of active konek2CARD users had grown to 1,176,272, significantly decreasing reliance on paper-based transactions. With even more active users projected by the end of 2025, CARD Bank reaffirms its commitment to advancing digital and environmentally sustainable banking.

Eco-Friendly Practices in Banking Operations

Beyond external sustainability projects, CARD Bank integrates eco-friendly practices into its daily operations, ensuring that environmental responsibility is embedded in its workplace culture. These include:

- Donating old laptops to local government units and schools
- Implementing energy-saving practices in offices (e.g., conscious use of lights and air-conditioning)
- Replacing plastic cups with reusable glassware in organizational events

While the journey towards sustainability is ongoing, CARD Bank recognizes the need for continuous awareness and action. By integrating environmental responsibility into its banking operations, the institution is paving the way for a greener and more sustainable future for Filipino communities.

Promoting Financial Literacy Through Creative Recycling

One of CARD Bank's most notable achievements in 2024 is its continued partnership with Hybrid Social Solutions Incorporated, enabling clients to access solar panel loans. This initiative empowers Filipino households—especially in off-grid areas—to transition to sustainable energy solutions, reducing reliance on non-renewable sources. As of December 2024, the Solar Loan has been rolled out in 29 branches and has served a total of 289 clients, highlighting the Bank's active role in addressing energy access challenges while promoting greener alternatives.

Through the depolyment of 20,548 solar units from September 2023 to December 2024, this initiative has helped reduce approximately 23,836 tons of carbon dioxide (CO₂) emissions—an impactful step toward mitigating climate change.

Additionally, the Bank's konek2CARD app plays a crucial role in minimizing paper waste. By December 2024, the number of active konek2CARD users had grown to 1,176,272, significantly decreasing reliance on paper-based transactions. With even more active users projected by the end of 2025, CARD Bank reaffirms its commitment to advancing digital and environmentally sustainable banking.

11,745
Trees Planted

23,836
Tons of CO₂ Emissions
Reduced from Solar Loan

Promoting Financial Inclusion for All

In 2024, CARD Bank continued to champion financial inclusion by making banking services more accessible to every Filipino, regardless of ability, background, or location. A key milestone this year was the launch of the Deaf and Mute Financial Inclusion Program. This initiative ensures that persons with disabilities (PWDs) can access financial services with ease and dignity. By providing specialized training for frontliners and incorporating sign language-friendly processes, the Bank is creating a more inclusive banking experience for all.

The Bank also strengthened its financial literacy programs to equip more individuals with the knowledge and confidence to manage their finances. These efforts reflect CARD Bank's commitment to empowering communities through education and accessible financial tools.

In collaboration with the Bangko Sentral ng Pilipinas, the Bank took part in the Piso Caravan Currency Exchange Center. This initiative raises public awareness on proper currency handling while helping communities convert unfit or old bills and coins.

CARD Bank also joined the Kaunlaran Caravan, a quarterly community development initiative by CARD MRI. This event brings a wide range of free services to various communities, including medical, dental, and eye check-ups, financial literacy sessions, and other capacity-building activities. In 2024, the Caravan visited Dimasalang in Masbate, Alaminos, San Fernando City, Catbalogan, Baybay, Dolores, Matina, Kabacan, and Kidapawan, reaching underserved areas and providing much-needed support to families.

Commitment to Gender Equality and Women Empowerment

CARD Bank has always championed gender equality, particularly in empowering women through financial independence. The Bank's efforts align with its mission of providing financial access to underserved sectors, many of whom are women entrepreneurs striving to uplift their families and communities.

As of December 2024, 66% of CARD Bank's total clients are women, proving the effectiveness of its financial inclusion strategies. The Bank continues to support women-led microenterprises, providing accessible loans, business development training, and capacity-building programs that equip women with the skills to succeed in entrepreneurship.



Internally, CARD Bank ensures that women have leadership opportunities. In 2024, women held 71% of management positions, demonstrating the institution's commitment to gender-inclusive leadership. Furthermore, the Bank has maintained a 67% female representation on its Board of Directors, reinforcing its advocacy for women's voices in decision-making processes.

Beyond financial services, CARD Bank also supports gender-sensitive workplace policies, ensuring that women employees have equal access to promotions, training, and maternity benefits. These efforts contribute to a more inclusive and diverse organizational culture that values the role of women in both business and community development.

Training and Capacity-Building Initiatives

CARD Bank recognizes that financial support alone is not enough to drive long-term success for its clients and employees. That's why the Bank continuously invests in training programs that enhance financial literacy, leadership skills, and business development.

For its employees, the Bank provided a total of 768 training hours in 2024, covering topics such as risk management, digital banking, client engagement, and leadership development. These training sessions ensure that staff members remain equipped with the knowledge and skills to serve clients effectively.

15,567

**Financial Literacy
Sessions**

1,005

**Financial Literacy
Attendees**

For its clients, CARD Bank facilitated 15,567 financial literacy sessions nationwide, educating 1,005 individuals on responsible borrowing, savings, and investment strategies. These efforts are essential in empowering clients to make informed financial decisions, ensuring their long-term financial stability.

In addition, CARD Bank, in partnership with the CARD-MRI Development Institute, Inc. (CMDI), has developed business skills training modules that help microentrepreneurs strengthen their enterprises. This initiative provides entrepreneurs with insights into market trends, digital marketing, and business expansion strategies, equipping them for growth and sustainability.

Community Development and Social Responsibility

Beyond banking, CARD Bank remains an active participant in community development programs aimed at improving the overall well-being of Filipinos. Through partnerships with local government units (LGUs) and non-government organizations (NGOs), the Bank continues to support healthcare initiatives, disaster relief operations, and educational programs.

One of the most significant projects in 2024 was the expansion of the CARD MRI Disaster Relief Assistance Program (CDRAP). This initiative provided immediate financial aid, relief goods, and rehabilitation support to families affected by natural

calamities such as typhoons, earthquakes, and flooding. CARD Bank's quick response helped affected communities rebuild and recover, staying true to its mission of holistic development.

Furthermore, the Bank actively promotes health awareness through medical missions and free check-ups for clients and their families. In 2024, CARD Bank, in partnership with the CARD Microfinance and Health Protection Program (MaHP) Unit, conducted a mobile clinic initiative that served 2,465 individuals in various communities, providing free consultations, laboratory tests, and medicines.

Through these social initiatives, CARD Bank continues to strengthen its role as a development-oriented institution that prioritizes people's welfare alongside financial progress.

Strengthening Impact Through Corporate Social Responsibility

As part of its broader mission for social development, CARD Bank recognizes the importance of integrating Corporate Social Responsibility (CSR) into its core business strategy. CSR serves as a key driver in delivering not only financial services but also programs that uplift the lives of clients and their communities.

Guided by clear policy objectives, CARD Bank's CSR efforts focus on raising savings mobilization, reducing default rates, and measuring positive community impact. These initiatives go beyond compliance—they reflect the Bank's deep commitment to social empowerment, inclusive growth, and long-term poverty eradication.

Policy Objective

To promote social empowerment through the Corporate Social Responsibility (CSR) programs of CARD Bank, and to create more opportunities for raising savings mobilization, reducing default rates, and measuring positive community impact among its members.

Policy Statement

CARD Bank shall ensure that the CSR investment will be proactively considered as a business opportunity and strategy to support Social Performance Management as a whole.

For almost three decades, CARD Bank assures its beneficiaries that the programs will address its impact on their lives, such as its relevance in addressing current society concerns, long-term commitment in continuing said programs and services, and effectiveness in inspiring other institutions to commit to similar initiatives.

CARD Bank aims to provide its holistic social development services to its marginalized clients, regardless of background and ethnicity, by giving them access to health care services, affordable education assistance, and immediate distribution of relief goods, stress debriefing, health missions, and immediate claims payment in times of need.

CARD Bank believes that financial support must be complemented with suitable and effective community development services to achieve poverty eradication. CARD Bank has been aggressive in delivering various programs which will assist its clients with their growing business, as well as other needs such as health and education.



A. HEALTH PROTECTION PROGRAM

CARD Bank ensures that the health of its clients is protected. Finding out that most members and their families suffer from common, treatable, and/or preventable illnesses, CARD Bank established the Microfinance and Health Protection Program (MaHP) unit. With the establishment of the unit, clients then have a greater access to affordable and quality consultation services, prescription drugs, and information on how to seek the correct treatment for a situation. This enables CARD Bank to tend to the clients' and their family's healthcare needs.

With the bank's desire to provide medical assistance to its members and the public, the following are health services were continuously provided:

1. E-Doctor Consultation

Through the Microfinance and Health Protection (MaHP) program unit, CARD Bank offers free online health consultations via its official Facebook page. Medical practitioners provide continued support and advice to communities across the country. From January to December 2024, a total of 9,442 patients availed of this service, reflecting CARD Bank's commitment to making healthcare more accessible to its clients.

2. E-Doctor Webinar

The CARD e-Doctor also served as a platform for CARD Bank to educate the public on various health issues. Even amid viral threats, the Bank remained firm in its advocacy of promoting health and wellness. A total of 1,205 individuals participated in the e-Doctor webinars organized and sponsored by CARD Bank, helping raise awareness and encourage healthy practices within communities.

2,465

Mobile Clinic Served
Individuals

We continue to provide said primary healthcare needs and business support which we extended across the country.

B. SCHOLARSHIP PROGRAM

Believing that education brings about change in the community, CARD Bank, together with the members of CARD MRI, offers educational assistance and scholarships through the CARD Scholarship Program (CSP), under the Resource Mobilization Unit (RMU) of CARD MRI. Launched in 2000, the program has consistently provided qualified students with well-deserved opportunities for education. As of 2024, a total of 769 students are active scholars of CARD Bank.

Governance

Upholding Transparency, Accountability, and Ethical Leadership

At CARD Bank, governance is built on the pillars of transparency, accountability, and ethical leadership. In 2024, we reinforced compliance with regulations and strengthened data security measures to protect client information. By promoting sound decision-making and responsible banking practices, we safeguard the trust and confidence of our stakeholders.

Ensuring Business Ethics and Integrity

CARD Bank upholds the highest standards of business ethics, transparency, and accountability to build and maintain the trust of its clients, employees, and stakeholders. The Bank adheres to strict corporate governance principles, ensuring that all operations comply with legal and regulatory requirements.

To reinforce ethical banking practices, the Bank implemented 1 compliance audits in 2024, ensuring that all branches and departments adhere to industry regulations and internal policies. The Ethics and Compliance Office continues to strengthen mechanisms that prevent fraudulent activities, money laundering, and corruption, guaranteeing that CARD Bank remains a trustworthy financial institution.

In line with good governance, the Bank also conducted capacity-building sessions for its Board of Directors, providing training on financial risk management, digital transformation, and EESG principles. These initiatives ensure that the Bank's leadership remains well-equipped to steer the institution towards long-term sustainability and growth.



Cybersecurity and Data Protection

With the increasing adoption of digital banking, CARD Bank prioritizes cybersecurity measures to protect client information and financial transactions. The Bank has implemented multi-layered security protocols, including two-factor authentication (2FA), encryption technologies, and real-time fraud detection systems to safeguard client data.

In 2024, CARD Bank further strengthened its cybersecurity framework by:

- Conducting cybersecurity awareness campaigns for employees and clients
- Upgrading its digital banking systems to enhance security features
- Performing 2 cybersecurity audits to identify vulnerabilities and strengthen protection measures

1**Implemented Compliance
Audit**

By continuously improving its data protection strategies, CARD Bank ensures that clients can conduct transactions safely and securely, fostering greater trust in its digital banking services.

Diversity and Inclusion in Leadership

Diversity is at the core of CARD Bank's leadership philosophy. The Bank values inclusive decision-making, ensuring that diverse perspectives contribute to institutional growth and innovation.

As of December 2024, 56% of the Board of Directors are women, reinforcing the institution's dedication to gender equality at the highest levels of governance. Additionally, the Bank continues to recruit leaders from various professional backgrounds, ensuring a well-rounded approach to decision-making.





Through its succession planning programs, the Bank has also identified and mentored future leaders within the organization. The Leadership Development Program (LDP) has successfully prepared 1,098 employees for managerial and executive positions, ensuring a seamless transition of leadership in the coming years.

Looking ahead, CARD Bank is committed to further strengthening its governance framework by:

- Enhancing board education on emerging financial trends and regulatory updates
- Improving risk management systems to mitigate potential challenges in banking operations
- Expanding client protection policies to ensure ethical and responsible banking practices

These initiatives reinforce CARD Bank's role as a responsible financial institution that prioritizes ethical governance, security, and long-term sustainability.

Corporate Governance: Strengthening Our Leadership and Decision-Making Framework

At CARD Bank, corporate governance is integral to the trust and confidence that we cultivate among our stakeholders. Our approach to governance is centered around a strong framework of transparency, accountability, and ethical leadership, which guides our decisions and ensures the long-term success of the organization.

In 2024, we took significant steps to reinforce our governance practices, ensuring that our leadership and management systems remain effective, ethical, and aligned with the needs of our stakeholders. This section provides a detailed look at our corporate governance structure, policies, and practices that continue to guide our decision-making and strategic direction, reinforcing our commitment to being a responsible and sustainable financial institution.

TRANSITIONING OF GOOD AND PRIME CLIENT OF CARD, INC. (A MICROFINANCE NGO)

The CARD Bank's target market remains closely intertwined with CARD, Inc. and CARD SME Bank being all members of CARD MRI. Hence, the target market of the entire CARD MRI can be described in a ladderized and three-legged approach as follows:



As one of the members of the CARD MRI group and family, CARD Bank's target market is also synchronized and deeply thought about to ensure that all the member-institutions reinforce each other in the attainment of the mission and vision of ultimately empowering the poor by upholding the core values of competence, family spirit, integrity, stewardship, humility, the culture of excellence, and simplicity.

As a methodology, transitioning of matured CARD, Inc. clients or borrowers to CARD Bank will be its mainstream. Transitioning of clients means that the CARD, Inc. clients with good or prime credit standing may avail of the microfinance, small and medium enterprise (MSME) facilities or services from CARD Bank, resulting in more loans and deposit products to borrowers or clients. This business strategy encourages the borrowers or clients further to comply with the repayment discipline required for them to qualify in the transitioning. Upon transitioning of the clients, clients are continuously provided with financial and non-financial services by CARD Bank, leading to enriching and empowering through continuous access to the financial resource as well as through training and supervision by the CARD Bank staff. CARD SME Bank completes the loop of developing and empowering the poor to become experts in small and medium enterprises who do not just generate profits for the family but also employment opportunities for their communities.

CARD Bank's overall strategy involves developing the clients further to the next level. With this, CARD Bank does not only stop at the provision of small microfinance loans to awaken and nurture the entrepreneurial skills of the microfinance clients, but by also providing them with bigger loans and other flexible products and services that will continuously nurture their business skills and acumen in managing various individual or family enterprises.

The implementation of Magalang term Deposit launched last February 2024, for Senior Citizen signifying intention to open Magalang term deposit to all interested Senior Citizen and it will contribute to the savings mobilization program of the bank.

The back to basic strategy launches in October 2024 emphasize the reinforcing of fundamental processes enhancing accountability and ensuring compliance with the established guidelines and procedures. We aim to improve overall effectiveness, mitigate risks and stabilize the overall operations of CARD Bank Inc

RISK MANAGEMENT AND CORPORATE GOVERNANCE

CARD Bank's corporate governance practice adheres to seven core values: competence, family spirit, integrity, simplicity, humility, excellence, and stewardship. The Bank's exemplary corporate governance is anchored to its strong corporate culture and values. It is guided by a clearly defined governance framework promoting transparency, fairness, and accountability.

The Bank advocates financial inclusivity among its members and clients. It assures that all Board of Directors, officers, and staff are aligned to the interest of its shareholders. The Bank believes that corporate governance is a necessary component of what constitutes sound strategic business management and undertakes every effort necessary to create awareness within the organization. It works closely with the regulators to ensure that the internal governance standards are being met by the Bank.

BOARD OF DIRECTORS

Observance of the principles of good corporate governance starts with the Board of Directors. It is primarily responsible for fostering the long-term success of the Bank and assuring sustained competitiveness in a manner consistent with its fiduciary responsibility.

The Board is responsible for approving and overseeing the implementation of the Bank's strategic objectives, risk strategy, corporate governance, and corporate values. It is also responsible for overseeing the performance of senior management in so far as managing the day-to-day affairs of the Bank. It establishes a code of conduct and ethical standards in the Bank and institutionalizes a system that will allow reporting of concerns or violations to an appropriate body. The Board conducts itself with utmost honesty and integrity in the discharge of its duties, functions, and responsibilities.

COMPOSITION

The Board is composed of nine members pursuant to the Bank's Articles of Incorporation and by-laws, where three of whom are independent directors. All are professionals from various fields of expertise such as banking, law, accounting and finance, bank regulation, information technology, microfinance, and social development.

QUALIFICATIONS OF THE BOARD OF DIRECTORS

Directors

The Board of Directors must be at least 25 years of age at the time of his election or appointment. They must be a college graduate or have at least five years of experience in related business. The Board should have at least attended a special seminar on corporate governance for the Board of Directors conducted or accredited by the Bangko Sentral ng Pilipinas (BSP). They must be fit and proper for the position of a director of the bank considering the following: integrity/probity, physical/mental fitness, relevant education/ financial literacy/training, possession of competencies relevant to job, such as knowledge and experience, skills, diligence, and independence of mind; sufficiency of time to fully carry out responsibilities. No member of the Board of Directors shall be appointed as Corporate Secretary nor Compliance Officer during their term.

Independent Directors

The independent directors must and have not been an officer or employee of the Bank, its subsidiaries, or affiliates or related interest during the past three years counted from the date of the Board's election. They are not a director or officer of the related companies of the institution's majority stockholders. They are not stockholders with shares of stock sufficient to elect one seat in the Board of Directors of the institution, or any of its related companies, or of its majority corporate stockholders. They should not have a relative within the fourth degree of consanguinity or affinity, legitimate or common-law of any director, officer, or a stockholder holding a share of stock sufficient to elect one seat in the Board of the Bank or any of its related companies. They are not acting as a nominee or representative of any director or substantial shareholder of the Bank, any of its related companies, or any of its substantial shareholders. They are not retained as professional advisers, consultants, agents, or counsels of the institution, any of its related companies or any of its substantial shareholders, either in his personal capacity or through his firm. The independent director is also independent of management and free from any business or other relationship, and has not engaged and does not engage in any transaction with the institution or with any of its related companies or with other persons or through the firm of which, he is a partner or a company of which he is a director or substantial shareholder, other than transaction which is conducted at arm's length and could not materially interfere with or influence the exercise of his judgment. An independent director may only serve as such for a maximum cumulative term of nine years. After which, the independent director shall be perpetually barred from serving as an independent director of the Bank but may continue to serve as a regular director.

CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors shall provide leadership in the Board of Directors. The chairman's primary role is to ensure that the Board is effective in its task of setting and implementing the Bank's direction and strategy. He shall ensure that a good relationship and trust within the members of the Board of Directors shall be maintained.

The Chairman of the Board of Directors shall be a non-executive director or an independent director and the position of the Chairman and the Chief Executive Officer (CEO) shall not be held by one person. The Chairman must not serve as CEO of the Bank within the past three years. However, it will be allowed in exceptional cases, provided that:

1. This is consistent with the provisions of its succession plan; and
2. There are no major supervisory concerns in the quality of the Bank's governance, risk management systems, and internal controls and compliance system, and the Bank is not subject to escalated enforcement action.

The Chairman of the Board shall:

- take the chair at general meetings and board meetings;
- ensure that the meeting agenda focuses on strategic matters including discussion on risk appetites, and key governance concerns;
- ensure a sound decision-making process;
- encourage and promote critical discussion;
- ensure that dissenting views can be expressed and discussed within the decision-making process; ensure that members of the Board of Directors receive accurate, timely, and relevant information;
- ensure the conduct of proper orientation for first-time directors and provide training opportunities for all directors; and
- ensure the conduct of performance evaluation of the Board of Directors at least once a year.

There are nine Board of Directors elected dated March 16, 2024; three of whom are independent directors.

Name of Director	Type of Directorship	No. of Years as Director	No. of Direct Common Shares Held	Percentage of Shares	Board Meeting's Attendance	
					Jan. - Dec. 2024	
Dr. Jamie Aristotle B. Alip	Non-Executive	21 Years	3,819,712	12.73%	13/14	100%
Dr. Dolores M. Torres	Non-Executive	27 Years	3,324,804	11.08%	13/14	93%
Ms. Lorenza DT. Bañez	Non-Executive	27 Years	3,011,058	10.04%	14/14	100%
Dr. Gilberto M. Llanto	Non-Executive	21 Years	241,586	0.81%	12/14	86%
Ms. Ma. Luisa P. Cadaing	Non-Executive	21 Years	412,368	1.37%	13/14	93%
Ms. Marivic M. Austria	Executive	9 Years	305,356	1.02%	13/14	100%
Mr. Arthur A. Bautista	Independent	3 Years	1	0.00%	14/14	100%
Ms. Ruby M. Coma	Independent	1 Year	55	0.00%	14/14	100%
Ms. Ma. Belen M. Llamas*	Independent	9 Months	1	0.00%	12/12	100%

Note: Director Ma. Belen M. Llamas was elected as new Independent Board of Director effective March 2024.

Total number of meeting includes two (2) special Board of Directors meeting

PROFILES OF THE BOARD OF DIRECTORS

Name	Qualifications
<p>Dr. Jaime Aristotle B. Alip Chairman of the Board 68, Filipino (BOD since November 2003)</p> <p>Other Current Directorship and Officership: Chairman: CARD SME Bank, CMDI, MIDAS, Rafael B. Buenaventura Foundation</p> <p>Director/Trustee: ICMIF, CARAGA Renewable Energy Corp., Rizal College Laguna, The Hunger Project (Philippines), Matapat Holding Inc., Union College of Laguna, Strong Prosperity PTE. LTD., Makati Business Club, Council for Climate and Conflict Action Asia</p>	<p>With more than 38 years of experience in field of microfinance, banking, microinsurance, and related fields.</p> <p>Educational Attainment: BS Agriculture Major in Agricultural Economics, MS in Professional Studies, Ph. D. in Organization Development, OPM Program in Harvard Business School.</p> <p>BSP and other Trainings Attended: Corporate Governance for Board of Directors, Risk Management Seminar, Briefing on Updated AML Rules and Regulations, Exposure in MABS Program, Exposure in SME in BRAC Bank, Grameen Bank, ASA, Seminar in SME Banking, IT Governance Seminar, Updates on Institutional Risk Assessment and Targeted Financial Sanctions, Training Program on Supervisory Assessment Framework (SAFr), Virtual Training Program on Sustainable Finance Framework, Islamic Banking Regulations Orientation, Webinar on Legal Liabilities and Proceedings Affecting Banks and their Directors and Officers (From A Regulator's Perspective). Orientation on Basic Practices in Accounting and Risk management for Islamic.</p>
<p>Dr. Dolores M. Torres Board of Director 69, Filipino (BOD since September 1997)</p> <p>Other Current Directorship and Officership: Chairman: CARD, Inc.</p> <p>Director/Trustee: CMDI, MIDAS, CARD MRI Rizal Bank Inc., FDF Best Corporation, Strong Prosperity PTE. LTD.</p>	<p>With more than 38 years of experience in field of microfinance, banking, microinsurance, and related fields.</p> <p>Educational Attainment: Bachelor of Science in Commerce Major in Accountancy, MS in Community Development, Global Excellence in Management, Microfinance Training at Boulder Colorado, Executive MBA at AIM, Key Executive management Course at Harvard Business School, Ph.D. in Organization Development.</p> <p>BSP and Other Trainings Attended: Corporate Governance for Board of Directors, Risk Management Seminar, Microfinance Training, Basic Rural Banking Course, Exposure Training in Savings Mobilization, Grameen and ASA Training, Basic and Advance Microfinance Training, Appreciative Inquiry at University of USA, ITIL Foundation Certificate in IT Service Management, ITIL Intermediate Certificate in Service Strategy, Succession Planning: Developing Leaders from Within, Risk Management Excellence in Microfinance, IT Governance Seminar, Anti-Money Laundering/Combating the Financing of Terrorism, Updates on Institutional Risk Assessment and Targeted Financial Sanctions, Training Program on Supervisory Assessment Framework (SAFr), Virtual Training Program on Sustainable Finance Framework, Islamic Banking Regulations Orientation, Webinar on Legal Liabilities and Proceedings Affecting Banks and their Directors and Officers (From A Regulator's Perspective). Orientation on Basic Practices in Accounting and Risk management for Islamic.</p>

Name	Qualifications
<p>Mr. Gilberto M. Llanto Board of Director 75, Filipino (BOD since March 2003)</p> <p>Other Current Directorship and Officership: Director/Trustee: CARD SME Bank, Inc., CMDI, Philippine Institute for Development Studies</p>	<p>His areas of expertise are Money and Banking, Public Finance, and International Trade. A professional economist who has held various executive and technical (research) positions at the National Tax Research Center of the DOF, BSP, DAR and NEDA. He has been a consultant on financial markets, microfinance, public finance, and public economics to international organizations.</p> <p>Educational Attainment: A. B. Philosophy, M.S. Economic Program, M.A. Economics, and Ph.D. Economics</p> <p>BSP and other trainings attended: Governance for Board of Directors, Briefing on BSP Cir.706 Updated AML Rules and Regulations, and Agricultural Banking, Updates on Institutional Risk Assessment and Targeted Financial Sanctions, CTB Training Program on Supervisory Assessment Framework (SAFr), Virtual Training Program on Sustainable Finance Framework, Islamic Banking Regulations Orientation, Webinar on Legal Liabilities and Proceedings Affecting Banks and their Directors and Officers (From A Regulator's Perspective)</p>
<p>Ms. Lorenza dT. Bañez Board of Director 66, Filipino (BOD since September 1997)</p> <p>Other Current Directorship and Officership: Chairman: CARD Inc., CMDI, Business Development Services Foundation, Inc. Director/Trustee: CARD SME Bank (Corporate Treasurer)</p>	<p>With more than 38 years of experience in field of microfinance, banking, and other related fields. A Certified Public Accountant.</p> <p>Educational Attainment: BS Commerce, MS in Development Mat., MA in CED, CFA Course Review Program for Development Manager, and CPA Review Course, PhD in Organization Development and Planning. Ph.D. in Organization Development.</p> <p>BSP and other trainings attended: Enterprise-Wide Risk Management, Financial Statement Compilation Engagements, FATCA Orientation, Succession Plan - CRAFTING THE PROTOTYPE, Briefing on BSP Cir.706 Updated AML Rules and Regulations, International Finance Seminar, Financial Risk Management Workshop, MFI's Financial Performance Analysis, Corporate Governance & Risk Management, Basic Rural Banking Course, IT Governance Seminar, Anti-Money Laundering/Combating the Financing of Terrorism, Updates on Institutional Risk Assessment and Targeted Financial Sanctions, Training Program on Supervisory Assessment Framework (SAFr), Virtual Training Program on Sustainable Finance Framework, Islamic Banking Regulations Orientation, Webinar on Legal Liabilities and Proceedings Affecting Banks and their Directors and Officers (From A Regulator's Perspective), 56th Annual Meeting of the Board of Governors of the Asian Development Bank, Making Finance Work for Women in Mumbai. Orientation on Basic Practices in Accounting and Risk management for Islamic.</p>
<p>Ms. Ma. Luisa P. Cadaing Board of Director 64, Filipino (BOD since March 2003)</p> <p>Other Current Directorship and Officership: Director/Trustee: CARD Inc., CMDI, Norwegian Mission Alliance Officer: Tearfund UK (Manager), World Vision International (Manager), Open Door International (Manager)</p>	<p>With more than 26 years of experience in banking and finance.</p> <p>Educational Attainment: BS Human Ecology, MS Urban & Regional Planning, and Program for Women Managers</p> <p>BSP and other trainings attended: Corporate Governance and Risk Management, IT Governance Seminar, Anti-Money Laundering/Combating the Financing of Terrorism, Updates on Institutional Risk Assessment and Targeted Financial Sanctions, CTB Training Program on Supervisory Assessment Framework (SAFr)</p>

Name	Qualifications
<p>Ms. Marivic M. Austria Board of Director / President and CEO 52, Filipino (BOD since March 2015)</p> <p>Other Current Directorship and Officership: Director/Trustee: CARD MRI Information Technology, Inc.</p>	<p>With more than 27 years of experience in field of microfinance operations, banking and finance.</p> <p>Educational Attainment: BS Commerce-Accounting, Executive Master's in Business Administration (AIM), and Advanced Management Program (HBS).</p> <p>BSP and other trainings attended: Governance and Risk Management Training, Boul'er Microfinance Training, High Potentials Leadership Program, Managing Portfolio-at-Risk, IVP Training on Micro Banking Internal Practices, Basic Internal Audit Course, Basic Rural Banking Course, and Exposure Study Visit on Banking Operations, IT Governance Seminar, Updates on Institutional Risk Assessment and Targeted Financial Sanctions, Training Program on Supervisory Assessment Framework (SAFr), Virtual Training Program on Sustainable Finance Framework, Study Tour on Digital Finance and Agent in Nairobi, Kenya, Anti-Money Laundering & Combating the Financing of Terrorism, Exposure visit on Islamic Financing operations in Indonesia, Islamic Banking Regulation Orientation, Webinar on Legal Liabilities and Proceedings Affecting Banks and their Directors and Officers (From A Regulator's Perspective), Training on Islamic Financing Principles, 7th IFSB Executive Programme on Effective Risk Management and Lessons Learn From Banking Failures.</p>
<p>Mr. Arthur A. Bautista Independent Board 75, Filipino (BOD since March 2021)</p> <p>Other Current Directorship and Officership: Director/Trustee: CARD MRI Information Technology, Inc. Other Officership: Kuya's Grill House, Kuya's Restaurant</p>	<p>He is an experienced banker with expertise in the areas of risk management, internal control, and treasury and financial management.</p> <p>Educational Attainment: Master's in Business Administration, Bachelor of Science in Business Administration</p> <p>BSP and other trainings attended: Corporate Governance for Board of Directors, Briefing on BSP Cir.706 Updated AML Rules and Regulations, and Agricultural Banking, Updates on Institutional Risk Assessment and Targeted Financial Sanctions, CTB Training Program on Supervisory Assessment Framework (SAFr), Virtual Training Program on Sustainable Finance Framework, Islamic Banking Regulations Orientation, Webinar on Legal Liabilities and Proceedings Affecting Banks and their Directors and Officers (From A Regulator's Perspective). Orientation on Basic Practices in Accounting and Risk management for Islamic.</p>
<p>Ms. Maria Belen M. Llamas Independent Board 65, Filipino (BOD since March 2024)</p>	<p>Educational Attainment: Bachelor of Science in Commerce</p> <p>BSP and other Trainings Attended: Orientation on Basic Practices in Accounting and Risk Management for Islamic, Islamic Banking Regulations Orientation, Basic Banking Regulation and AMLA, Angat Kita Micro Entrepreneur, CARD Pioneer Product Briefing and Sales Training, Livelihood Food Processing, Workshop on Credit Investigation/Background and Property Appraisal, Consumer Empowerment Seminar</p>
<p>Ms. Ruby M. Coma* Independent Board 50, Filipino (BOD since March 2023)</p>	<p>Educational Attainment: Bachelor of Science in Community Development</p> <p>BSP and other Trainings Attended: Corporate Governance Seminar for Rural Bank Directors and Officers, Basic Banking Regulations in AMLA, Islamic Banking Regulations Orientation, Webinar on Legal Liabilities and Proceedings Affecting Banks and their Directors and Officers (From A Regulator's Perspective).</p>

*Note: Director Ma. Belen M. Llamas was elected as new Independent Board of Director effective March 2024.

BOARD COMMITTEES

The Board is supported by 10 different committees with their respective functions and directives as follows:

A. Corporate Governance Committee

Committee Member	Attendance		Position
	January - December 2024		
Ms. Malvarosa Perote	3/3	100%	Chairperson
Ms. Ruby M. Coma	12/12	100%	Chairperson/Member
Ms. Luisa Cadaing	11/12	92%	Member
Mr. Arthur A. Bautista	12/12	100%	Member

The Corporate Governance Committee assists the Board of Directors in fulfilling its corporate governance responsibilities. The Committee is composed of three (3) members of the Board of Directors who are all non-executive directors, and the majority are independent directors, including the chairperson. The committee regularly meets every 3rd Saturday of the month or as the need arises.

The committee's tasks include, but are not limited to, the following:

- Oversees the nomination process for members of the Board of Directors and for positions appointed by the Board of Directors
- Oversees the continuing education program for the Board of Directors
- Oversees the performance evaluation process
- Oversees the design and operation of the remuneration and other incentives policy
- Assists the Board carry out its due diligence duty in reviewing and revising the Board-level committees' job descriptions and/or structural changes to ensure that the Board is in compliance with its legal and fiduciary duties.
- Shall stay current on governance trends and changes around governance topics in promoting and monitoring effective board operations, board performance and governance policies.

B. Risk Oversight Committee

Committee Member	Attendance		Position
	January - December 2024		
Mr. Arthur A. Bautista	12/12	100%	Chairperson
Ms. Ruby M. Coma	12/12	100%	Member
Ms. Marivic M. Austria	12/12	100%	Member

The Risk Oversight Committee advises the Board of Directors on the Bank's overall current and future risk appetite, oversees the senior management's adherence to the risk appetite statement, and reports on the state of risk culture of the Bank. The creation of risk oversight committee plays a vital role as the Bank's success is largely dependent on the ability of its directors and officers in managing risks. The committee is composed of three (3) members of the Board of Directors, the majority of whom are independent directors including the Chairperson. The committee regularly meets every 3rd Saturday of the month or as the need arises.

The committee's tasks include, but are not limited to, the following:

- Responsible for the development and oversight of the risk management program of the bank and its trust unit.
- Oversee the system of limits to discretionary authority that the board delegates to management, ensure that the system remains effective, that the limits are observed and that immediate corrective actions are taken whenever limits are breached.
- The bank's risk management unit and the Chief Risk Officer shall communicate formally and informally to the risk oversight committee any material information relative to the discharge of its function.
- The risk oversight committee, shall, where appropriate, have access to external expert advice, particularly in relation to proposed strategic transactions, such as mergers and acquisitions.

- e. The core responsibility of the risk management committee are;
1. Oversee the risk management framework.
 2. Oversee adherence to risk appetite.
 3. Oversee the risk management function.
 4. Identify and evaluate exposures.
 5. Develop risk management strategies
 6. Oversee the implementation of the risk management plan
 7. Review and revise the risk management plan as needed

C. Audit Committee

Committee Member	Attendance		Position
	January - December 2024		
Ms. Ruby M. Coma	12/12	100%	Chairperson
Dr. Gilberto M. Llanto	12/12	100%	Member
Ms. Malvarosa Perote	2/2	100%	Member
Ms. Ma. Belen M. Llamas	10/10	100%	Member

Note: Director Ma. Belen M. Llamas was appointed as member of the Audit Committee meeting effective March 2024.

The audit committee is responsible for overseeing the senior management in establishing and maintaining an adequate, effective, and efficient internal control framework. It shall ensure that systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations, and safeguarding of assets. The committee is composed of three members of the Board, all are non-executive directors, and the majority are independent directors, who have knowledge of financial reporting and internal controls. The committee regularly meets every 3rd Saturday of the month or as the need arises.

The audit committee's tasks include, but are not limited to, the following:

- a. Oversee the financial reporting framework.
- b. Monitor and evaluate the adequacy and effectiveness of the internal control system.
- c. Oversee the internal audit function.
- d. Oversee the external audit function.
- e. Oversee implementation of corrective actions.
- f. Investigate significant issues/concerns raised.
- g. Establish a whistleblowing mechanism.

D. Related Party Transactions (RPT) Committee

Committee Member	Attendance		Position
	January - December 2024		
Ms. Malvarosa Perote	3/3	100%	Chairperson
Ms. Ma. Belen M. Llamas	9/9	100%	Chairperson
Mr. Arthur A. Bautista	12/12	100%	Member
Ms. Ruby M. Coma	12/12	100%	Member

Note: Director Ma. Belen M. Llamas was appointed as Chairperson of the RPT Committee replacing Ms. Malvarosa Perote effective March 2024.

Transactions between and among Directors, Officers, Stockholders and their Related Interest, subsidiaries and affiliates (DOSRI) including transactions with related parties may provide financial, commercial, and economic benefits to the Bank as well as to the group. The Board ensures that dealings of a bank with any of its DOSRI, subsidiaries and affiliates shall be in the regular course of business and upon terms not less favorable to the bank than those offered to others to avoid insider abuses and unfair competitive advantage.

The RPT Committee shall assist the Bank in handling transactions with related parties. It shall review and evaluate each transaction to assess its fairness. The committee is composed of three members of the Board of Directors, two of whom are independent directors, including the chairperson. Committee members are entirely composed of independent and non-executive directors, with independent directors comprising the majority. In case a member has a conflict of interest in a particular RPT, he/she refrains from evaluating such a particular transaction. Independent Units such as Compliance Officer or Internal Auditor shall sit as resource person of the committee. The committee regularly meets every 3rd Saturday of the month or as the need arises.

The Related Party Transactions (RPT) Committee's tasks include the following:

- Evaluate on an ongoing basis existing relation between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured.
- Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the bank are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions.
- Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the bank's RPTs exposures, and policies on conflicts of interest or potential conflicts of interest.
- Report to the board of directors on a regular basis, the status and aggregate exposures to each related party as well as the total amount of exposures to all related parties.
- Ensure that transactions with related parties, including write-off of exposures, are subject to periodic independent review or audit process.
- Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including the periodic review of RPT policies and procedures.

Other committees that include the Board and Management level as follows:

E. Compliance Committee

Committee Member	Attendance		Position
	January - December 2024		
Ms. Ms. Lorenza DT. Bañez	11/12	92%	Chairperson
Mr. Arthur A. Bautista	12/12	100%	Member
Ms. Ma. Belen M. Llamas	9/9	100%	Member
Mr. Jeffrey M. Rondina	11/12	92%	Member
Ms. Laarne D. Paje	12/12	100%	Member

The Compliance Committee is composed of three members of the Board of Directors including the head of audit and head of compliance who shall possess a range of expertise as well as adequate knowledge on the business risks. The committee was chaired by a non-executive member of the Board. The Head or the Chief Compliance Officer (CCO) regularly prepares and submits Compliance and AML Reports to the Compliance Committee containing the results of the Compliance and AML Testing and Monitoring conducted by the Compliance and AML units. The CCO updates the committee members on the new regulatory issuances. The committee, through its Committee Chairperson, reports to the Board during monthly regular Board of Directors meeting any updates, agreements, and policy recommendation discussed by the members of the committee during monthly compliance committee meeting.

The Compliance Committee shall have a regular once a month meeting. This shall be held every month a day before the Board meeting or as the need arises. This is to ensure that the committee is updated on the status of the implementation of the compliance program and the Board, through the compliance committee, is updated on the new relevant Philippine laws, rules and regulations and pertinent BSP Circulars governing the operations of the banks.

The Compliance Committee's tasks include the following:

- a. Ensure that the compliance system of the bank is defined, established and updated to facilitate an effective management of compliance with bank policies and regulatory requirements.
- b. Ensure that updated compliance program was approved by the Board, oversee and promote its effective implementation.
- c. Ensure that compliance issues encountered by the Bank were immediately resolved and acted upon.
- d. Ensure that duties and responsibilities of Board of Directors stated under Section 132 of the MORB: Powers/responsibilities and duties of Director were done.
- e. It shall provide oversight on AML policy development and execution such that AML Policies and Procedures established by the Sr. management, led by the compliance office are adequate to ensure compliance and are kept updated/remain relevant to best react on the changing AML regulatory scenarios and conditions.
- f. Review and take action, as necessary, on AML related reports coming from the bank's compliance office.
- g. Shall oversee and ensure the effective performance of the AML/TF functions of the Bank's Compliance Office.
- h. Approve institutional risk assessment, AML/CTPF related policies, manuals and guidelines, including the design and implementation of the MTPP of the Bank.
- i. Promote a sound AML/CTPF compliance culture across the Bank, and oversee the efforts of all concerned personnel in the prevention of money laundering, counter terrorism and proliferation financing activities.
- j. Review the completeness of the processes in reporting compliance to identified ML/TF/PF breaches, including review of findings of the Bangko Sentral ng Pilipinas (BSP), and the Anti-Money Laundering Council (AMLC), as applicable.
- k. Deliberate and/or act on significant regulatory AML/CTPF matters, such as new initiatives, BSP/AMLC supervisory mandates, directives, inquiry and/or investigation, and ML/TF/PF observations raised by Compliance and Internal Audit functions.
- l. Deliberate and approve the filing of suspicious transaction reports to the AMLC.

F. Outsourcing Oversight Committee

Committee Member	Attendance		Position
	January - December 2024		
Ms. Marivic M. Austria	4/4	100%	Chairperson
Ms. May S. Dawat	4/4	100%	Member
Mr. Fidel Dumalaog	4/4	100%	Member
Mr. Paul Zedrick Dorado	4/4	100%	Member
Ms. Maria Herra Dela Sala	4/4	100%	Member

CARD Bank continuously expands over the years. With the continuous growth towards achieving its strategic technical and operational objectives along with the cost reduction measures, the Bank started to outsource some of its activities.

The Outsourcing Oversight Committee is comprised of the senior management of the Bank. The Outsourcing Oversight Committee shall have a regular quarterly meeting or as the need arises. This shall be held a day before the schedule of the Board of Directors' Meeting. The President and CEO regularly updates the Board of Directors on the status of outsourcing activities of the bank.

The outsourcing oversight committee's tasks include, but are not limited to, the following:

- a. Define operational, technical, and financial objectives, the service levels and the desired outcomes of the process to be outsourced;
- b. Establish the effect to the bank of such outsourcing transaction such as loss of skills;
- c. Monitor the service provider's expertise, size, financial health, operational capability and experience levels to ensure that the bank's service requirements are met;

- d. Establish tool and policies in evaluating the quality of service delivered to keep abreast of the changing business needs, regulations, policies, standards and priorities;
- e. Review and approve key aspects of the bank's security control program and process, such as the development and maintenance of security control policies and infrastructure that properly safeguard systems and data from both internal and external threats;
- f. Manage risks associated with increased complexity of and increasing reliance on outsourcing relationships and third-party dependencies to perform critical functions;
- g. Regularly manage, monitor and review performance of the service providers;
- h. Review and finalize vendor accreditation and dis-accreditation process.
- i. Secure regular monthly report of the activities.

G. IT Steering Committee

Committee Member	Attendance		Position
	January - December 2024		
Ms. Marivic M. Austria	9/12	75%	Chairperson
Dr. Dolores M. Torres	5/6	83%	Member
Ms. May S. Dawat	11/12	92%	Member
Mr. Fidel Dumalaog	9/12	75%	Member
Mr. Paul Zedrick Dorado	12/12	100%	Member
Mr. Aldrin B. Quimoyog	6/6	100%	Member
Mr. Ronnie D. Fallega	6/6	100%	Member

** Note: Dr. Dolores M. Torres, Mr. Aldrin Quimoyog and Mr. Ronnie Fallega were appointed as new members of the committee effective July 2024.*

The IT Steering Committee serves as a formalized group that is responsible for ensuring the IT Risk Management and Monitoring and Control is started and maintained through regular meetings. The committee is also responsible for updating the Board on the current and future IT-related issues and initiatives and in submitting recommendations to the Board. Part of the IT Risk Management is integrating risk management into regular IT practices. By establishing a formalized committee, IT Risk Management becomes part of IT's agenda and priorities.

The IT Steering Committee oversees the Information Technology-related issues and initiatives. The committee meets every first Monday of the month. It is chaired by the Bank's President and CEO. The committee will be responsible for the following:

- a. Define project priorities.
- b. Assess strategic fit of project proposals.
- c. Perform portfolio reviews for continuing strategic relevance.
- d. Review, approve and fund initiatives, assessing how these would improve the business process.
- e. Ensure identification of all costs and fulfilment of cost/benefit analysis.
- f. Perform portfolio reviews for cost optimization.
- g. Balance investments between supporting and growing the enterprise.
- h. Ensure all projects have a project risk management component.
- i. Act as sponsor of the control, risk and governance framework.
- j. Make key IT governance decisions.
- k. Define project success measures.
- l. Follow progress on major IT projects.
- m. Monitor and direct key IT governance processes.
- n. Act as the Emergency Change Advisory Board
- o. Review IT operations accomplishments
- p. Review on the Information Security Officers Reports
- q. Review ATM operations
- r. Review on Disaster Recovery Test Result.

H. Asset and Liability Committee

Committee Member	Attendance		Position
	January - December 2024		
Ms. May S. Dawat	12/12	100%	Chairperson
Ms. Marivic M. Austria	12/12	100%	Member
Mr. Anver Regalado III	12/12	100%	Member
Ms. Maria Rowena F. Galarde	12/12	100%	Member
Ms. Meydes Macabata	12/12	100%	Member
Ms. Jenelyn C. Melgar	12/12	100%	Member

The assets and liabilities of CARD Bank shall be managed properly to maximize shareholder value, to enhance profitability and increase capital, to serve customer and community needs, and to protect the institution from any disastrous financial consequences arising from changes in interest rate risk. These objectives shall be pursued within the framework of written loan, capital, and investment policies. The Board of Directors believes that accepting some level of interest rate risk is necessary to achieve realistic profit goals. The responsibility of managing the asset/liability management procedures is directed by the Asset/Liability Committee (ALCO).

The Asset and Liability Committee (ALCO) is comprised of senior management who are responsible to carry out Financial Risk Management (FRM) responsibilities. The ALCO Committee shall have a regular once a month meeting. This shall be held on Monday of the week of Board of Directors meeting or as the need arises. The ALCO Chairperson updates to the Risk Management Committee any risk identified, concerning financial management of the Bank.

The Asset and Liability Committee's tasks include, but are not limited to, the following:

- a. ALCO's primary responsibility is to protect the liquidity position of the Bank so that it can meet maturing obligations when they are due, to ensure that there is adequate liquidity for growth, and adequate liquidity for emergencies.
- b. Ensure that profitability and sustainability of the institution through proactive balance sheet management;
- c. Analyze the potential financial risks associated with any new products and make recommendations of how to measure and limit/manage the risk (including how to incorporate new products into existing asset liability matching reports); and
- d. Review the overall financial risk of the organization whenever there is a significant change to the balance sheet structure (for example adding a new funding source or new client product) and present findings to the Board.
- e. Oversees collection and analysis of deposit data.
- f. Reviews and approve definitions for core deposits and withdrawable reserves by product; Present and recommend these definitions to the Board for approval.
- g. Reviews pricing of all products at least annually, or when a new product is introduced, for impact on interest rate risk and net interest margin
- h. Establishes stress assumptions for liquidity scenarios and FX and interest rate risk movements.
- i. Reviews liquidity stress test results; establish action plans to address potential gaps.
- j. Establishes targets for liquidity ratios. Review ratios against their targets on a monthly basis. Approve a course of action for rectifying any breach of the targets.
- k. Establishes funding concentration threshold and liability diversification parameters; review exposure reports and approve action to stay within thresholds.
- l. Assists in the quality control process by reviewing the reports for reasonableness, consistency and completeness.
- m. Works with the EVP for Finance in determining whether a contingency funding plan should be invoked. Establish a contingency funding plan.
- n. Meets monthly and all discussions and approvals should be documented in minutes that are circulated to senior management
- o. Makes recommendations on negotiations with funders to achieve best liability structure
- p. Works with operations on asset products to achieve best asset structure
- q. Constructs and maintains an independent FRM reporting framework.
- r. Reviews Debt Repayment Schedule, Savings Product Analysis and ALM risk reports for reasonableness, consistency and completeness when they are first created and as needed thereafter, but at least annually.
- s. Provides support to finance team as needed when they are preparing monthly reports or making inputs to debt repayment schedule.

- t. Collects data on applicable interest or foreign exchange rates and do historical analysis monthly
- u. Collects, store and analyze deposit data monthly.
- v. Provides data analysis to Head of Finance Unit and Risk Manager to be discussed in monthly ALCO Meeting.

I. Remittance Committee

Committee Member	Attendance		Position
	January - December 2024		
Dr. Dolores M. Torres	4/4	100%	Chairperson
Ms. Marivic M. Austria	4/4	100%	Member
Ms. Lorenza dT. Bañez	4/4	100%	Member
Ms. May S. Dawat	4/4	100%	Member
Mr. Rex P. De Lumban	4/4	100%	Member

The Remittance Committee was established to provide oversight functions and guidance to the senior management of the Bank in its implementation of remittance services. The committee, thru its Committee Chairperson, reports to the Board during monthly regular Board of Directors meeting the performance of remittance activities of the bank, any agreements and policy recommendation discussed by the members of the committee during quarterly remittance committee meeting.

The Remittance Committee's tasks include, but are not limited to, the following:

- a. Provide strategic direction to the management to achieve the objectives of the Bank's remittance services;
- b. Recommend strategies to improve the accessibility of the Bank's remittance services;
- c. Developing processes and strategies to monitor and mitigate risk areas identified in the implementation of remittance services;
- d. Review and assess the performance of the remittance operations of the Bank;
- e. Review and evaluate possible third-party remittance partnership;
- f. Assess and recommends marketing strategies to improve remittance operations and promotional activities; and
- g. Perform the other functions and duties as the Board may delegate.

J. Joint Member-Board / Observer and PAR and Savings

Committee Member	Attendance		Position
	March - December 2024		
Ms. Ma. Belen M. Llamas	4/4	100%	Chairperson
Ms. Malvarosa Perote	1/1	100%	Chairperson
Ms. Ruby M. Coma	4/4	100%	Member
Ms. Demetria Salmorin	4/4	100%	Member

The purpose of the Committee is to assist the Board of Directors to have direct access to the issues and concerns of the members and to develop an appropriate policies and guidelines that helps improved the bank's services to the members. The Committee likewise ensure that the Portfolio-at-Risk (PAR) of the bank will be closely monitored, efficiently managed and will be recovered. The committee shall also be responsible in providing oversight function on the savings mobilization program of the bank.

The Committee shall be composed of Member-Board of Directors and Observers representing island of Luzon, Visayas and Mindanao. Also invited in the meetings are other members representing different regions who as previously elected as member-board of directors or board of trustees. The committee was guided by the Senior Management Advisers and invited representatives from Senior Management of the bank.

The Joint Member-Board / Observer and PAR and Savings Committee's tasks include, but are not limited to, the following:

- a. Shall discuss results of committee members field monitoring activities conducted for the quarter.
- b. The Committee shall discuss issues and concerns solicited from their co-members during their field monitoring and recommend appropriate solutions.
- c. The committee shall assist the Board of Directors and Sr. Management in formulating suitable products and services coming from the suggestions/ recommendations of the members.
- d. The committee shall assist the Board of Directors in formulating strategies on how to encourage members experiencing repayment problems to recover from their poor performance.
- e. The committee shall assist the Board of Directors and Sr. Management in developing new topics for Credit with Education (CwE) to discuss during center meetings that help improve the lifestyle of members and their family.
- f. The committee shall assist the Board of Directors and Sr. Management in formulating strategies to promote products and services to other members including awareness on digital initiatives of the bank.
- g. The committee monitors the loan portfolio quality and recommends operational strategy to recover portfolio at risk of respective branches.
- h. The committee recommends a monitoring plan on how to assist past due members in recovering from their unpaid loan outstanding.
- i. The committee recommends strategies on how to encourage members instilling the habit of making regular savings deposit.
- j. The committee assists the management in the center-level implementation of the digital initiative of the bank.
- k. The committee performs other duties and responsibilities as authorized by the board of directors.

K. Credit Committee

Committee Member	Attendance		Position
	July - December 2024		
Ms. Marivic M. Austria	6/6	100%	Chairperson
Ms. May S. Dawat	6/6	100%	Member
Dr. Lorenza DT. Bañez	5/6	83%	Member
Ms. Glenda C. Magpantay	6/6	100%	Member
Ms. Baby Analyn Malaborbor	6/6	100%	Member
Ms. Clarita Mercado	6/6	100%	Member
Mr. Ronnie D. Fallega	6/6	100%	Member
Ms. Rizaline A. Manalo	6/6	100%	Member
Ms. Raquel Zaragoza	6/6	100%	Member
Ms. Medy Valenzuela	6/6	100%	Member
Ms. Geralyn Macasinag	6/6	100%	Member
Ms. Marissa Carandang	6/6	100%	Member
Ms. Zabeth Opis	6/6	100%	Member
Ms. Jenet Constantino	6/6	100%	Member

The Credit Committee is established and appointed by the Board in terms of prudential guidelines by the Bangko Sentral ng Pilipinas (BSP). The credit committee will assist the Board in fulfilling its primary responsibilities of oversight function on credit operation of the Bank.

The Committee shall be composed of President and CEO, Executive Vice President, Senior Vice President for Operation, Assistant Vice President for Operations and One Non- Executive Board of Director. The Committee performance shall be evaluated by the Bank Board of Directors thru its designated committee on a yearly basis to ensure that it functions effectively.

The Credit Committee is responsible for reviewing and approving credit proposals in accordance with the Bank's credit policies and guidelines. The committee ensures that all credit decisions are made in a consistent and prudent manner, taking into consideration the bank's risk appetite and regulatory requirements.

- The committee shall regularly meet on Monday before the BOD meeting of every month. The committee may call for a special or emergency meeting as necessary.
- A quorum will comprise the majority of the members of the Committee present during the meeting.
- The members of the Committee shall attend its meetings in person or through teleconferencing and videoconferencing conducted in accordance with the rules and regulations of the SEC in such a manner that will allow the member who is taking part in said meetings to actively take part in the deliberations on matters taken up therein.
- The notice and agenda of the meeting shall be furnished to the members prior to each meeting and will include relevant supporting papers and reports as appropriate.
- The Senior Vice President/Vice President for operations regularly prepares and submit Result of Credit Operations Reports to the Credit Committee containing the results of credit operations of the Bank on the previous month. The committee, thru its Committee Chairperson, reports to the Board during monthly regular Board of Directors meeting any updates, agreements and policy recommendation discussed by the members of the committee during monthly credit committee meeting.

The following were Duties and Responsibilities of the Credit Committee:

1. Review the credit risk exposure and approve loan applications within the committee's delegated approving authority, in accordance the Bank's policies and guidelines.
2. Process and evaluate the credit risk exposure and endorse for Board Approval all principal loan application beyond the approving authority of the committee.
3. Ensure that MSME lending activities of the Bank are aligned with the credit risk strategy approved by the Board of Directors.
4. Monitor the Bank's credit portfolio and assess the overall credit risk exposures.
5. Review the Bank's Credit portfolio on an ongoing basis with a view to consider all issues that may materially impact on the present and future quality of the Bank's credit risk management.
6. Review all non-performing loans on a continuous basis and guide the management, the remedial management team and operation team in recovery actions as appropriate.
7. Review list of loan accounts under litigation and consider further action with a view to recover unpaid outstanding loan amount at the minimum cost.
8. Review the recovery progress of the main written-off accounts on a continuous progress.
9. Review and update the Bank's credit policies and guidelines as necessary, in consideration with the relevant stakeholders.
10. Recommend credit risk mitigants and policy enhancement to counter the credit risk identifies during MSME loan evaluations.
11. Ensure that the Board is aware of all significant credit related matters and such matters, which may significantly impact the financial condition or affairs of the business of the Bank.
12. Perform other duties and responsibilities as authorized by the board of directors.

SENIOR MANAGEMENT PROFILES

Name	Profile
<p>MS. MARIVIC M. AUSTRIA President and Chief Executive Officer</p> <p>Age: 52 Nationality: Filipino</p>	<p>Ms. Austria serves as President and CEO since December 2015. She also serves as Director of CARD MRI Information Technology, Inc., a related institution of the Bank. She has been with CARD Bank for 27 years, having joined the Bank as Cashier during its establishment in September 1997. She has established the internal audit and compliance unit of the CARD MRI and spearhead its operations for 13-years, before being promoted as Senior Vice President for Risk in 2012. Ms. Austria has more than 30 years of experience in microfinance and banking operations joining the CARD MRI group in 1994. She took her Executive master's in business administration in Asian Institute of Management and Advance Management Program in Harvard Business School. She finished her Bachelor of Science in Commerce-Accounting at Laguna College.</p>
<p>MS. MAY S. DAWAT Executive Vice President</p> <p>Age: 47 Nationality: Filipino</p>	<p>Ms. Dawat serves as Executive Vice President for Finance and Accounting since July 2021 and Corporate Secretary since March 2022. She also serves as Director of CARD MRI Insurance Agency, a related institution of the Bank. She has more than 26 years of experience in microfinance, micro-insurance and banking operations, joining CARD MRI group in 1998. Before joining CARD Bank, she served as Internal Audit Assistant in Center for Agriculture in Rural Development, Inc. (CARD Inc.), Finance Officer and Manager Administration and Finance in CARD Mutual Benefit Association, Inc. (CARD MBA, Inc.), before being promoted as General Manager and eventually Chief Executive Officer of CARD MBA, Inc. She also served as Director of CARD Pioneer Microinsurance, Inc., CARD MRI Holdings, Inc., CARD MRI Information Technology, Inc., CARD MRI Hijos Tours, BOTICARD, Inc., CARD MRI Astro Laboratories, Inc., MEADA Rabrong (Microinsurance In Cambodia), UNIHEALTH Quezon Hospital And Medical Center, Inc., and CARD Leasing and Finance Corporation (CLFC). She took her Master's in Community Economic Development in Southern New Hampshire University, New Hampshire, USA, Executive Program in General Management in Massachusetts Institute of Technology, Cambridge, Massachusetts, USA and Certified Management Accountant Program in Institute of Certified Management Accountants, Philippines and Australia. She finished her Senior Executive Leadership Program in Harvard Business School. She finished her Bachelor of Science in Accountancy at the Laguna College.</p>
<p>MS. LAARNE D. PAJE Executive Vice President for Audit.</p> <p>Age: 47 Nationality: Filipino</p>	<p>Ms. Paje serves as Executive Vice President for Audit since January 2024. She also serves as Senior Vice President for Risk Management from 2019-2024. She also serves as Assistant Corporate Secretary. She has been with CARD Bank for 12 years, spearheading the internal audit unit prior to her stint into risk management. Ms. Paje has joined CARD MRI in 2001 and developed her expertise in internal control and risk management practices serving the group for more than 22 years. She rose from the rank serving as internal audit assistant during her early years of service before she got promoted in the positions of Internal Audit Manager, General Internal Audit Manager and Assistance Vice President for Audit. She took her Master of Science in International Community Economic Development in Southern New Hampshire University (Philippines and US Campus) and Senior Executive Leadership Program in Harvard Business School (India and US Campus). She finished her Bachelor of Science in Accountancy at the Aquinas University of Legazpi.</p>

Name	Profile
MR. JEFFREY M. RONDINA Executive Vice President for Compliance Age: 42 Nationality: Filipino	Ms. Rondina serves as Executive Vice President for Compliance /Chief Compliance Officer and supervising the Compliance unit since 2017. He has been servicing the Bank for 9 years, previously supervising the internal audit unit operation prior to his stint into compliance function. Mr. Rondina has joined CARD MRI in 2003 and developed his expertise in internal control practices and compliance program serving the group for more than 20 years. He rose from the rank serving as internal audit assistant during his early years of service before he got promoted to the position of Internal Audit Manager and Chief Compliance Officer in CARD SME Bank. He took his Executive master's in business administration in Asian Institute of Management and Senior Executive Leadership Program in Harvard Business School (India and US Campus). He finished his Bachelor of Science in Accountancy at Laguna College.
MS. MA. ROWENA F. GALARDE Senior Vice President for Finance and Accounting Age: 49 Nationality: Filipino	Ms. Galarde serves as Senior Vice President for Finance and Accounting since March 2019. She has been with CARD Bank for 27 years, having joined the Bank as Teller during its establishment in September 1997. She then gained her deep expertise in banking finance with her exposures to different field of finance, accounting and banking administration. Ms. Galarde has rosed from the rank serving as teller, bookkeeper and cashier during her early years of service before she got promoted in the positions of Accounting Manager, General Accountant and Assistance Vice President for Finance and Accounting. She took her Master of Arts in Organizational Development Specializing in Microfinance Management in SAIDI School of Organization and Development and Certified Management Accountant Program in Institute of Certified Management Accountant (Philippines and Australia Campus). She finished her Bachelor of Science in Accountancy at the San Pablo Colleges, Laguna.
Ms. ROSAFE M. MATUNAN Vice President for Human Resource Age: 45 Nationality: Filipino	Ms. Matunan serves as Vice President for Human Resource since 2021 and supervising the HR unit since 2013. She joined CARD MRI in 2001 and has been serving the group for more than 22 years. She rosed from the rank serving as Administrative Assistant and Executive Assistant during her early years of service before she got promoted in the positions of Liaison Office Manager/ Country Representative in CARD operation in Cambodia and Sr. HR Manager of CARD Inc. She took her Master of Science in International Community Economic Development in Southern New Hampshire University and SAIDI School of Organization and Development. She also finished her Senior executive Leadership program in Harvard Business School (India and US Campus).She finished her Bachelor of Science in Business Administration major in Marketing at the New Era University

Name	Profile
<p>Ms. GLENDA C. MAGPANTAY Senior Vice President for Operation</p> <p>Age: 48 Nationality: Filipino</p>	<p>Ms. Magpantay serves as Senior Vice President for Operation since 2024. She also serves previously as Chairman of the CARD Employees Multi-Purpose Cooperative. She joined the bank in 1997 and has been serving the institution for more than 27 years where she acquired her expertise in microfinance and banking operations. She rose from the rank serving as Account Officer and Unit Manager during her early years of service before she got promoted in the positions of Branch/Area Manager, Regional Director and Assistant Vice President for Operation. She took her master's in business administration in University of Asia (previously known as Trinity College of Quezon City), Master of Science in International Community Economic Development in Southern New Hampshire University and SAIDI School of Organization and Development and took Management Development Program in Asian Institute of Management. She also completed her Senior Executive Leadership Program in Harvard Business School (India and US Campus). She finished her Bachelor of Science in Business Administration at the San Pablo Colleges.</p>
<p>Ms. BABY ANALYN A. MALABORBOR Senior Vice President for Operation</p> <p>Age: 48 Nationality: Filipino</p>	<p>Ms. Malaborbor serves as Senior Vice President for Operation since 2024. She joined the CARD MRI in 1997 and has been serving the institution for more than 27 years where she acquired her expertise in microfinance and banking operations. She rose from the rank serving as Account Officer and Unit Manager during her early years of service before she got promoted in the positions of Branch/Area Manager, Regional Director and Assistant Vice President for Operation. Ms. Malaborbor was also appointed as General Manager of Rural Bank of Sto. Tomas (Batangas), Inc. when CARD MRI acquired its operations. She took her Master of Arts in Organizational Development Specializing in Microfinance Management in SAIDI School of Organization and Development and took Management Development Program in Asian Institute of Management. She is currently enrolled in Senior Executive Leadership program in Harvard Business School. She finished her Bachelor of Science in Commerce Major in Management at Laguna College.</p>
<p>Ms. CLARITA G. MERCADO Senior Vice President for Operation</p> <p>Age: 48 Nationality: Filipino</p>	<p>Ms. Mercado serves as Senior Vice President for Operation since 2024. She joined the bank in 1998 and has been serving the institution for more than 26 years where she acquired her expertise in microfinance and banking operations. She rose from the rank serving as Account Officer and Unit Manager during her early years of service before she got promoted in the positions of Branch/Area Manager, Regional Director and Assistant Vice President for Operation. She took her Master of Arts in Organizational Development Specializing in Microfinance Management at SAIDI School of Organization and Development. She finished her Bachelor of Arts in Psychology at the Manuel S Enverga University in Quezon.</p>

Name	Profile
MR. RONNIE D. FALLEGA Vice President for Operation Age: 47 Nationality: Filipino	Mr. Fallega serves as Vice President for Operations starting year 2022 supervising North Luzon operation and overseeing the implementation of alternative digital channel in the operation level. He serves as Vice President for IT and Vice President for Business Continuity prior to his return to operations. Mr. Fallega joined CARD MRI in 1998 and has been serving for more than 26 years where he developed his expertise in microfinance and banking operations. He rose from the rank serving as Account Officer and Unit Manager during his early years of service before he got promoted in the positions of Branch/Area Manager, Regional Director and Assistant Vice President for Operation. He took his Master of Arts in Organizational Development Specializing in Microfinance Management in SAIDI School of Organization and Development and took Management Development Program in Asian Institute of Management. He finished his Bachelor of Science in Accountancy at the Masbate Colleges.
MS. RIZALINE A. MANALO Vice President for Operation Age: 50 Nationality: Filipino	Ms. Manalo serves as Vice President for Operation since 2023. She joined the CARD MRI in 1997 and has been serving the institution for more than 26 years where she acquired her expertise in microfinance and banking operations. She rose from the rank serving as Account Officer, Unit Manager and Bookkeeper during her early years of service before she got promoted in the positions of Branch/Area Manager and Regional Director. She took her Master of Arts in Organizational Development Specializing in Microfinance Management in SAIDI School of Organization and Development. She finished her Bachelor of Science in Industrial Engineering at Enverga University.
MR. ANVER D. REGALADO III Assistant Vice President for Risk Management Age: 36 Nationality: Filipino	Mr. Regalado serves as AVP for Risk Management and supervising the risk management unit for 2024. He has been servicing the Bank for 11 years. Mr. Regalado has joined CARD MRI in 2009 and developed his expertise in internal control practices performing internal audit function for 8-years. While performing risk management function for 7-years before being designated as head of risk management unit. He rose from the rank serving as internal audit assistant during his early years of service before he got promoted in the positions of Internal Audit Manager and Chief Risk Officer. Mr. Regalado is a Certified Internal Auditor and Certified Information System Auditor. He finished his Bachelor of Science in Accountancy at the Devine Word College in San Jose, Occidental Mindoro.
MS. RAQUEL B. ZARAGOZA Assistant Vice President for Operation Age: 51 Nationality: Filipino	Ms. Zaragoza serves as Assistant Vice President for Operation since 2019. She joined the CARD MRI in 1995 and has been serving the group for more than 28 years where she acquired her expertise in microfinance and banking operations. She rose from the rank serving as Account Officer and Unit Manager during her early years of service before she got promoted in the positions of Branch/Area Manager and Regional Director. She took her Master of Arts in Organizational Development Specializing in Microfinance Management at SAIDI School of Organization and Development. She finished her Bachelor of Science in Accountancy at the Masbate Colleges.
MS. MA. CHARISSA M. ADORNA Assistant President for Audit Age: 40 Nationality: Filipino	Ms. Adorna serves as Assistant Vice President for Audit since March 2021. She joined CARD MRI in 2008 and developed her expertise in internal control practices serving the group for more than 16 years. She rose from the rank serving as internal audit assistant during her early years of service before she got promoted in the positions of Internal Audit Manager and Deputy Director for Audit. She also served as Internal Audit & Risk Manager in CARD office at SAMIC Plc., Cambodia. She took her Master's in Productivity & Quality Management Major in Microfinance in Development Academy of the Philippines. She finished her Bachelor of Science in Accountancy at the University of Nueva Caceres.

Name	Profile
MR. FIDEL P. DUMALAOG Assistant Vice President for Information Technology Age: 37 Nationality: Filipino	where he gained his knowledge in banking operations. He has been with CARD Bank since 2009 and has been serving the institution for more than 15 years. His role as application administrator during the period of Bank's migration from the legacy system to the new centralized core-banking system gave him expertise in the management of core-banking administration. His exposures in different financial institutions in Indonesia that utilizing advance technology in banking operations further strengthen his knowledge in information technology. He is currently enrolled in MIT Professional Operations- Certificate for Machine learning from Data to decision. He finished his Bachelor of Science in Accountancy at the Devine Word College in Occidental Mindoro.
MR. PAUL ZEDRICK H. DORADO Assistant Vice President for Information Technology Age: 36 Nationality: Filipino	Mr. Dorado serves as Assistant Vice President for Information Technology starting year 2023. He was an experienced internal auditor where he gained his knowledge in banking operations. He has been with CARD Bank since 2008 and serving the institution for more than 16 years. His role as web application administrator during the period of Bank's migration from the legacy system to the new centralized core-banking system gave him expertise in the management of core-banking administration. His exposures in different financial institutions in Indonesia that utilizing advance technology in banking operations further strengthen his knowledge in information technology. He is currently enrolled in MIT Professional Operations- Certificate for Machine learning from Data to decision He finished his Bachelor of Science in Accountancy at the San Pablo Colleges.
MR. JUANITO I. DELA CUEVA Assistant Vice President for Mobile Financial Services Age: 51 Nationality: Filipino	Mr. Dela Cueva serves as Assistant Vice President for Mobile Financial Services since 2019. He joined CARD Bank in 2003 and has been serving the institution for more than 22-years where he developed his expertise in microfinance and banking operations. He rose from the rank serving as Account Officer and Unit Manager during his early years of service before he got promoted in the positions of Branch/Area Manager and Regional Director. He took his Master's in Productivity & Quality Management Major in Microfinance in Development Academy of the Philippines. He finished his Bachelor of Science in Marine Transportation Major in Nautical Science (associate in Marine Transportation) at the Philippine Maritime Institute, Manila.
MR. JONEL A. RAPER Assistant Vice President for Mobile Financial Services Age: 52 Nationality: Filipino	Mr. Rapera serves as Assistant Vice President for Mobile Financial Services since 2021. He joined CARD Bank in 1997 and has been serving the institution for more than 27-years where he developed his expertise in microfinance and banking operations. He rose from the rank serving as Account Officer and Unit Manager during his early years of service before he got promoted in the positions of Branch/Area Manager and Regional Director. He took his Master of Arts in Organizational Development Specializing in Microfinance Management in SAIDI School of Organization and Development. He finished his Bachelor of Arts in Mathematics at the Masbate Colleges, where he also took Bachelor of Science in Education and Bachelor of Science in Accountancy.

ORIENTATION, SEMINARS, AND EDUCATION FOR BOARD AND SENIOR MANAGEMENT

CARD Bank is composed of a dynamic Board of Directors that help build a strong and positive board culture within the Bank. Like a well-oiled machine, the Board of Directors work together to leverage the diverse skills set of the people behind the Bank and always drive the institution to excellent advantage. With this, the Board, as the governing body of the Bank that provides leadership and accountability, recognizes the importance of training and development of each director to determine the success of the institution. For CARD Bank, training is one of the most important investments the institution can make to ensure the effectiveness of its operations.

With this, all directors of the Bank made sure to attend the Corporate Governance Seminar conducted by accredited private institutions prior to, or at least immediately after, assumption of office. Aside from this, all newly elected Board of Directors have undergone orientation on their duties and responsibilities as Board of Directors including the general operating procedures of the Bank. Orientation also includes basic banking regulations, anti-money laundering guidelines and data privacy policy. Prior to election as member of the Board of Directors, candidates were also invited to seat as observers in the meeting of the Bank's committee and Board of Directors to get familiar with the banking operations.

For the year 2024, the following are the training and seminars attended by the Board of Directors and Senior Management.

Date	Time	Conducted By
01.06.2024	Orientation on Basic Practices in Accounting and Risk Management for Islamic	CMDI
08.19.2024	Cybersecurity Awareness and Cyber Drill for the Board.	ISACA (Mr. Ricson Singson-Que)
09.18.2024	AML/CTF Fundamentals	AMLC
09.18.2024	Targeted Financial Sanction	AMLC
11.18-19.2024	Business Continuity Program	RBB Foundation

Other Bank employees have regularly attended orientations and trainings conducted internally by Compliance Unit, CARD-MRI Development Institute, Inc. (CMDI) and others by external organizations to strengthen their areas of expertise, and to update them on regulatory matters, and to bring in new ideas and practices to the organization. As part of the capacity-building program of the Bank for its Senior Management, qualified officers were also sent to master's degree and short degree programs, both locally and internationally.

The Bank's initiatives are only proof that it gives importance to its greatest asset, its people.

BOARD AND SENIOR MANAGEMENT SELECTION PROCESS

Board Selection Process

To ensure that clients are represented on the policy making body of the Bank, seat/(s) on the Board are allotted for the Member-Board of directors. To ensure, however, that the Board passed the required qualifications, a selection process is needed.

1. The Selection Committee is informed through the Governance Committee of the need to conduct selection/nomination at least one year before the position will be vacated or replaced.
2. Invitation will be sent to the members through the operations staff (from Regional Head to Unit Manager). It must be clear that nominations will come directly from the members and not as endorsed or selected by the Account Officer.
3. The nomination will be forwarded to the HR personnel who will then forward this to the Selection Committee.
4. Personal interviews will be conducted by the Selection Committee at the place where the nominees are residing. Selection committee shall consist of two Board of Directors and an HR.
5. The Selection Committee prepares reports and conducts deliberation based on the selection criteria as to who shall be the shortlist nominees.
The nomination selection criteria for the committee member/board member are as follows:

- a. Membership record performance (repayment, attendance, and length of membership with CARD);
 - b. Business potential to support the family needs as well as other family activities or engagement: on-going business, at least college graduate or have at least 5 years' experience in business, legality of the business;
 - c. Achievements and development work involvement: in CARD, in family, and in the community;
 - d. Personal attributes: self-confidence, communication skills, values and principle in life, and good grooming; and
 - e. Reputation in the community, family background and how the family is regarded in the community.
6. The result of the deliberation shall be submitted to the Governance Committee for review and approval for further endorsement to the Board.
 7. As part of the process, shortlisted nominees are invited to become board member observer to the board meeting for three consecutive months, one at a time (while priority nominee attends for three consecutive meetings, record/ profile/ background of the next nominee is also evaluated/revalidated prior to her turn to take the place as the next board member observer). This is to give ample time to further evaluate them and see their fitness for the position.
 8. The finalist/top selected nominees are then endorsed to the Governance committee for further endorsement to the board.
 9. The final selected nominees attend the board meeting as regular observers.
 10. While her status remains as a regular member observer of the Board, she is also invited to join the board committee (Member-Board and Observers, PAR and Savings Committee).
 11. While attending as regular member observer of the Board, she is also given the opportunity to share, and report based on the center visit she conducted during the month.
 12. When an available position in the Board opens, regular member observer to the Board is further endorsed to the Board for confirmation.
 13. Once confirmed by the Board, submission of the profile/biodata to the BSP is done.
 14. Selected Board Member is also required to attend the Corporate Governance and Risk Management Seminar.

Senior Management Selection Process

Senior management is filled from within the ranks prioritizing them for opportunities for growth and career development. This is without prejudice to recruitment outside of the institution, except when certain special qualifications, experience, and training are required for the job. In offering this opportunity, it is the policy of the CARD Bank, Inc., to likewise provide equal chances among all qualified employees across CARD MRI.

PERFORMANCE ASSESSMENT

Board Members

Consistent with the principles of good corporate governance, the corporate governance committee is responsible for ensuring the effectiveness and due observance of the board on the principles and guidelines stated in the Corporate Governance manual. It includes overseeing periodic performance evaluation of the board and its committees including executive management. An annual performance assessment was conducted to measure director's effectiveness and if adequately carrying out their duties as director, and their contribution and performance (e.g., duty of care, duty of loyalty, duty of obedience, management accountability, strategic planning, and policy setting). The committee's performance was also evaluated based on their respective duties and responsibilities.

The result of the evaluation should be forwarded to the committee who will be responsible for deciding whether each director has been adequately carrying out his duties using the criteria stated in the evaluation form. The result of the evaluation shall be the basis of the committee in recommending continuing education of directors and succession plan for the board members and senior officers.

The Board has the responsibility to establish the means to ensure that governance policies are followed and periodically reviewed for ingoing improvement. The Governance Committee have overseen the periodic performance evaluation of Board and Committee. The Governance Committee has adopted an appraisal system for assessing the board and committee's effectiveness.

Senior Management

Aligned with the performance assessment guidelines of the Bank, Senior Management are subjected to Annual Performance evaluation covering the twelve months target and actual performance of previous year. Performance Evaluation takes into consideration both quantitative and qualitative performance indicators. In the conduct of the Senior Management performance evaluation, standardized Personnel Performance Appraisal Form (PPA) is being used.

Accomplished PPA forms by the Senior Management should be submitted to the President and CEO on or before the end of the succeeding month after appraisal period (January 31). Except for independent positions whose PPA should be submitted to the respective independent committee Chairperson. Approved performance evaluation should be submitted to the HRD by the end of February of each year.

REMUNERATION POLICY

Board Members

Consistent with the section 29 of the Corporation Code of the Philippines and as provided in the By Laws of the Bank, Directors shall not receive any compensation, except for reasonable per diems. In which no case shall the total yearly compensation of directors exceed ten percent (10%) of the net income before income tax of the bank during the preceding year. Further, only expenses deemed necessary for them to attend the meetings and discharge their official duties shall be allowed for reimbursement.

Senior Management

CARD Bank, Inc. has adopted a standardized salary grading system applicable for all level of position with a corresponding rate of pay that are fair and equitable in relation to the job requirements in terms of complexity, responsibility, skills, and qualifications. The Bank maintains a salary and benefits structure competitive with the prevailing rates/system of similar agencies and organizations compatible with the financial condition and objectives of the institution. These remuneration policies of the bank are duly approved by the Board of Directors. There will be a provision on annual increase and performance assessment measures.

All officers and employees of the bank are entitled for all regulatory benefits mandated by law, including other institutional benefits such as but not limited to retirement benefits, life and health insurance, further studies locally and abroad, international exposures, performance bonus and salary appraisal.

Retirement, Succession Planning, and Development Program

Elected Directors serve for a period of one (1) year from March to February of the succeeding year shall continue to serve until their successor is duly appointed. Members of the Board of Directors are not entitled to any retirement benefits. There is no prescribed age limit for Directors, provided they are physically and mentally fit for the position.

As CARD Bank, Inc. continues to grow and expand, it is fundamental to ensure the readiness of the next generation of leaders. The bank aims to sustain its core values of excellence by ensuring that next-in-line leaders are equipped with adequate knowledge and competence. This is to prepare next level officers assuming vacancies in senior management positions brought about by expansion, promotion, and retirement, among others. Through the succession program of the bank supported by its capacity building program, it ensures that qualified employees are recruited and developed to fill each key role within the bank.

Under this program are as follows:

- Succession Management program for middle to senior management officers to assume leadership positions.
- Master's Degree Program and short-term leadership management course for middle management officers.
- The mandatory retirement age for all Bank officers and staff including senior officers is 60 years old.

Policy Statement

1. CARD Bank, Inc. must ensure continuity of a strong leadership through operationalizing an effective and sound succession planning and development program.
2. CARD Bank, Inc. must ensure that a strong and sound succession planning program identifies and fosters the next generation of leaders.
3. CARD Bank, Inc. must ensure that employees have development opportunities to hone their leadership skills and must guarantee that the organization has a leadership plan in place for success in the future.
4. The Succession Planning and Development Program must link talent development with the strategic goals of the Board, the institution, and the staff.
5. The President and CEO may only serve for a total of five years term, however, he/she may be re-appointed subject to the approval of the Board of Directors and confirmation of the BangkoSentral ng Pilipinas.

Scope

The Succession Planning and Development Program covers key positions particularly in the Executives, Management Committee, and the Middle Management.

Policy Guidelines

1. The Succession Planning and Development Program particularly for the Senior Management is reviewed at the Board level through the Governance Committee at least annually.
2. In operationalizing the program, the HRD works with the management and the Board in identifying, developing (through mentoring, training, and stretch assignments), transitioning, and posting of the next generation of leaders.

Roles and Responsibilities

1. Succession Planning and Development for Key Officers is centralized to the President with the assistance of the HRD. Meanwhile, for the Management Committee and Middle Managers are the responsibility of the HRD with the support from the Supervisors and guidance from the President.
2. The HRD is responsible in finding people who embody the culture of the Bank and will be able to help them develop skills to make CARD Bank, Inc. stay viable in the future.
3. Supervisors and Managers, in line with the staff development program, must look for opportunities for their staff for them to gain experience and must provide them with necessary support and coaching to be more successful.

Development Program

Board and Key management officers shall undergo Development Program to ensure their continuing growth and readiness before actual appointment. This development plan is linked to the gap analysis as a result of talent assessment. For key management officers, each should have listed activity in his/her performance program and timeline which may be geared toward improving an area needing improvement from a previous evaluation or related to an employee's new responsibilities or future career goals. For Board, appropriate trainings and/or exposure shall be provided to continuously meet qualifications as set forth in the Manual of Regulations for Banks.

1. Continuing Education - enrollment in formal degree programs, courses, or workshops.
2. Pursuing certificates, accreditations or other credentials through educational programs.
3. Membership/participation in professional organizations.
4. Attending local and international meetings, conferences and workshops sponsored by professional organizations.
5. Improve job performance and skills.

As part of the professional development program, following approaches will be applied;

1. Skill Based Training - allowing employee to learn conceptual information or necessary behavior, practice the new information and behavior and receive feedback on how employee perform.
2. Job Assignments - learning by doing, working on real problems and dilemmas. The key element is challenge, something that stretches candidate, pushes them out of their comfort zones, and requires them to think and act differently. For the Board, identified potential can sit in Board and committee meeting as observer.
3. Making the most of a training program - having discussion with supervisor regarding the objective of attending, what to get out of it; what have learned at the training session and how this might immediately be applied at work. Practicing skills learned.

List of Major Stockholders of CARD Bank (with more than 10% Equity Shares)

NAME OF STOCKHOLDER	Nationality	Type of Shares	Percentage of Stockholdings	Voting Status
Dr. Jaime Aristotle B. Alip	Filipino	Common	12.73%*	Voting
Dr. Dolores M. Torres	Filipino	Common	11.08%*	Voting
Ms. Lorenza dT. Bañez	Filipino	Common	10.04%*	Voting
Center for Agriculture and Rural Development (CARD) Inc.	Filipino	Common	31.01%*t	Voting
CARD Mutual Benefit Association, Inc.	Filipino	Preferred	54.84%**	Non-Voting
Center for Agriculture and Rural Development (CARD) Inc. (A Microfinance NGO)	Filipino	Preferred	10.55%**	Non-Voting

NOTE: *based on total common shares

**based on total preferred shares

INDEPENDENT CHECKS AND BALANCES

To ensure robust and exemplary banking operations, CARD Bank implements the following independent functions:

Internal Control System

The internal control framework of the Bank is consistent with the increased emphasis of banking supervisors (e.g. BSP) on the review of a banking organization's risk management and internal control processes. The effective internal control system is a critical component of CARD Bank management and a foundation for safe and sound operation. A strong internal control system helps ensure the achievement of goals and objectives of the Bank, achieve long-term profitability targets, and maintain reliable financial and managerial reports.

The Bank's internal control consists of five interrelated elements:

1. Management oversight and the control culture;
2. Risk recognition and assessment;
3. Control activities and segregation of duties;
4. Information and communication; and
5. Monitoring activities and correcting deficiencies.

Board of Directors and Senior Management are responsible for promoting high ethical and integrity standards; establishing the appropriate culture that emphasizes, demonstrates, and promotes the importance of internal control; and designing and implementing processes for the prevention and detection of fraud.

The overall effectiveness of the Bank's internal controls were monitored on an ongoing basis. Monitoring of key risks was part of the daily activities of the bank as well as periodic evaluations by the business lines and internal audit.

Internal Audit

The objective of the internal audit unit is to assist all members of management in the effective discharge of their responsibilities, by furnishing them with analyses, appraisal recommendations, and pertinent comments concerning the activities reviewed. The Internal Audit Unit has the management complementary role of ensuring that the internal control systems are operating efficiently thereby giving the management assurance that the systems can be relied upon for the recording of transactions relating to all operations and for the preparation of the financial statements.

Under the direct supervision of the Audit Committee, the Internal Audit evaluates and ensures the adequacy and effectiveness of the internal controls of the Bank. The Internal Audit Department is mandated to conduct financial audit, compliance audit, operations audit, management audit, and information system audit. It also holds full, free, and unrestricted access rights to all activities, information, records, properties, and personnel relevant to the internal audit activity.

The Executive Vice President for Audit reports directly to the Audit Committee on its regular monthly meeting, composed of at least three members of the Board, all are non- executive directors, and majority are independent director, who have knowledge of financial reporting and internal controls. Likewise, the audit operative work plan for the following year is being prepared at the end of the year and presented to the Board for approval. The audit unit accomplishment status was being assessed and presented to the audit committee on a quarterly basis.

To monitor the effectiveness of implementation of the internal control system, the internal audit unit has implemented an audit rating system that measures the vulnerability of risk exposures due to lack of internal control of branches and other offices during branch/ office audit activities. Directory of all findings were also established to monitor the status of branch compliance.

External Auditor

Sycip Gorres Velayo & Co. (SGV) is the authorized External Auditor of the Bank. It presents an audit plan to the Audit Committee and performs audit risk assessment. It also reviews the internal audit report and compliance with accounting standards and regulatory requirements.

Compliance System

The Bank's compliance system was designed to identify and mitigate business risks, which may erode the franchise value of the bank. Business risks, include but not limited to the following:

- a. Risks to reputation that arise from internal decisions that may damage a bank's market standing;
- b. Risks to reputation that arise from internal decision and practices that ultimately impinge on the public trust of a bank;
- c. Risks from the action of a bank that are contrary to the existing regulations and identified best practices and reflect weaknesses in the implementation of codes of conduct and standard of good practice; and
- d. Legal risks to the extent that changes in the interpretation or provisions of regulations directly affect the Bank's business model.

The authority and independence of the compliance take into consideration the ability to cross departmental lines, access to all areas of the institution's operations and ability to effect corrective action when deficiencies or violations are detected. The mandates of the compliance are widely communicated throughout the organization.

The Bank's compliance function has a formal status within the organization. Its charter was approved by the Board of Directors which defines the compliance function's standing, authority, and independence.

Compliance officers have the right to obtain access to information necessary to carry out their responsibilities and conduct investigations of possible breaches of the compliance policy. Compliance is directly reporting to and has direct access to the Board of Directors or Compliance Committee.

The Compliance unit/department is responsible for ensuring that the Bank complies with the requirements, policies, circulars, and guidelines issued by BSP, BRI, LGUs, and other government agencies. Compliance unit thru the Executive Vice President for Compliance reports directly to the Compliance Committee on its monthly regular meetings composed of three members of the Board of Directors.

The mission, objectives, scope, authority and accountability of the compliance unit and its staff are clearly defined in the Compliance Program duly approved by the Board of Directors. Likewise, the compliance unit work plan for the following year is being prepared at the end of the year and presented to the Board for approval. The compliance unit accomplishment status was assessed and presented to the compliance unit on a semi-annual basis.

To monitor the effectiveness of implementation of the compliance system, the compliance unit has implemented a compliance rating system that measures the compliance risk exposures system of branches and other offices during compliance monitoring and testing.

Compliance Risk Management

The compliance risk management system of the Bank is designed to specifically identify and mitigate risks that may erode the franchise value of the Bank such as risks of legal or regulatory sanctions, material financial loss, or loss to reputation, that the Bank may suffer from because of its failure to comply with laws, rules, related self-regulatory organization standards, and codes of conduct applicable to its activities.

This compliance risk management will also mitigate risk arising from failure to manage conflict of interest, treat customers fairly, or effectively manage risks arising from money laundering and terrorist financing activities.

Compliance risk management is not solely the responsibility of the compliance unit, but instead the responsibility and shared accountability of all personnel, officers, and Board of Directors. This has been an integral part of the culture and risk governance of the institution.

Money Laundering and Terrorist Financing Prevention Program (MTPP)

The Bank adopted the Updated Anti-Money Laundering Rules and Regulations of BSP - a comprehensive and risk-based Money Laundering and Terrorist Financing Prevention Program (MTPP) that promotes high ethical and professional standards of the Bank and ensures that it is not being used for money laundering and terrorist financing activities. It supports governments, law enforcement agencies, and international bodies such as the Financial Action Task Force in their efforts to combat the use of the financial system for the laundering of the proceeds crime and terrorism.

Further, this program aims to (a) protect the integrity and confidentiality of bank accounts and ensure that the Philippines, in general, and the covered persons, in particular, shall not be used, respectively, as a money laundering site and conduit for the proceeds of an unlawful activity as herein defined; and (b) to protect life, liberty, and property from acts of terrorism and to condemn terrorism and those who support and finance it and reinforce the fight against terrorism by criminalizing the financing of terrorism and related offenses. The program intends to ensure high standards in the following areas:

- Ensure that the Bank has conformed with high ethical standards in protecting the safety, soundness, and integrity of the national banking and financial system;
- Ensure that the identity of customer is always established along with ensuring that financially and socially disadvantaged are not denied access to financial services;
- Ensure that suspicious individuals or entity are denied from opening or maintaining an account or transacting with the Bank;
- Adopting and implementing this MLTFPP risk management system to identify, assess, monitor, and control risks associated with money laundering and terrorist financing;
- Ensure full compliance with the rules and existing laws by regularly ensuring that all officers and employees are informed on their responsibilities in combating money laundering and terrorist financing;
- Ensure full cooperation with the Anti-Money Laundering Council (AMLC) and BSP for the effective implementation and enforcement of these regulations.

The bank has adopted appropriate guidelines to maintain digital records of customers for swift retrieval of documents and take measures to ensure that customer records are submitted in the manner, quality and period as would assist the AMLC in its prompt financial investigations and institution of legal actions.

The bank takes measures to ensure that its officers and employees are aware of their respective responsibilities in maintaining the confidentiality of financial investigations, and that no officer or employee communicates to any person any information in relation to any request for details and documents by the AMLC during its investigation.

With the increase in digital financial transaction, the Bank also strengthened its monitoring activities on transaction passing through our digital channels to ensure that the Bank will not be used as vehicle to divert any proceeds from illegal activities nor to finance terrorism activities.

MTPP Risk Management

To ensure that risks associated with money-laundering such as counterparty, reputational, operational, and compliance risks are identified, assessed, monitored, and mitigated, the following measures and processes were adopted.

a. Board and Senior Management Oversight

Bank's Board of Directors have the ultimate duties and responsibilities to ensure full compliance with money laundering and terrorist financing prevention program. As such, board of directors through the Compliance Office and Internal Audit are regularly updated on the matters related to Anti-Money Laundering and terrorist financing compliance and risk management.

The Senior management has overseen the day-to-day management of the bank, ensure the effective implementation of AML/CFT policies approved by the board and the alignment of activities with the strategic objectives, risk profile and corporate values as set by the board. Senior management has established a management structure that promotes accountability and transparency and upholds checks and balances. To ensure consistent and full compliance with money laundering and terrorist financing prevention program, Regional Head is also designated as the liaison officer of the compliance office in their respective branches. The Regional Head is responsible in ensuring that all ALM policies, laws and regulations are being implemented in the branch and all matters needing assistance are reported to the ALM Compliance Officer in Head Office.

b. Compliance Office

The Compliance office through the AML compliance group is primary responsible in the management of the implementation of the Money Laundering and Terrorist Financing Prevention Program (MTPP) of the Bank. This includes achieving the Bank's goals through planning, organizing, leading, and controlling. The Compliance office is independent and has a direct reporting line to the board of directors or any board-level or approved committee on all matters related to AML and TF compliance and their risk management. The AML Compliance Officer is designated to handle the implementation of the MTPP program. He will be the liaison between Bank, the BSP and the AMLC in matters relating to Bank's AML/CFT compliance. He is assisted by three (3) Assistant AML Compliance Officer in monitoring the implementation of this MTPP program to all branches and other offices.

c. Group-wide Money Laundering and Terrorist Financing Prevention

CARD MRI group has established CARD MRI Compliance Committee. The committee was established to oversee the compliance and anti-money laundering requirement and implementation of the entire CARD MRI group. Further, the CARD MRI group has regular coordination meetings of compliance, audit and risk officers to discussed matters that affect the organization as a whole.

d. Internal Audit

Simultaneous with operations and financial audit, compliance with Anti-Money Laundering Regulations is also being checked by Internal Auditors. The Internal Audit function associated with money laundering and terrorist financing is being conducted by qualified personnel who are independent of the Branch/Unit being audited. Internal Auditors have a direct reporting line to the Audit Committee.

The result of audit is also promptly communicated to the Compliance Office for its appropriate corrective action. The Compliance Office regularly submits reports to the Board to inform them of management's action to address deficiencies noted in the audit.

e. Risk Assessment

As part of the banks' risk-based approach, it has ensured that risk exposure to ML/TF was identified, understand, and assess when dealing with its customers, based on geographical areas of operations and customer, products and services being offered, including delivery channels used to carry out the transactions. The institutional risk assessment shall:

consider all relevant risk factors, including the results of national and sectoral risk assessments;
adequately document results and findings; and
be updated periodically or as necessary.

f. Sharing of Information

The bank has valued most and respected the secrecy and confidentiality of customers' information. Sharing client information to other parties were strictly prohibited except proper consent were executed by the customer or is legally mandated by the competent government authority. Depending on the risk assessment, the bank may require a potential and/or existing customer to sign a waiver on the disclosure of information within the group when it is relevant and appropriate for risk management.

g. Institutional Risk Assessment

The AML unit of the bank has conducted institutional risk assessment at least once every two (2) years, or as often as the Board or senior management may direct, depending on the level of risks identified in the previous risk assessment, or other relevant AML/CFT developments that may have impact on the Bank's operations. The following are the areas reviews to determine the vulnerability, strength, and weaknesses of the Bank.

- a. Customer Profile
- b. Product and Services
- c. Geographic Location
- d. Delivery Channel
- e. Sanction risk

A risk point value was assigned for each risk level (low, moderate, Above Average, High) identified in the different areas of banking operations reviewed.

Risk Management

Since the bank was established in 1997, risk management is always a priority in all areas of operation. Part of it is the regular monitoring of branches being conducted by the Executive and Management Committee other than the regular audit for all bank branches and head office departments like IT, Compliance, Finance, Security, Marketing, and others.

The Board of Directors delegate authority to Risk Oversight Committee to balance performance and compliance by ensuring that management's actions are consistent with CARD Bank's strategy and in line with the organization's risk tolerance. The Risk Oversight Committee delegates authority for identifying, analyzing, managing, and reporting risks to an independent risk management department.

Risk Management plays a crucial role in the ultimate success of the bank to safeguard critical assets from potential losses, cyber-attacks, and other various risk exposures and ensure that the risk assumed by the bank not only mitigated but appropriately managed to achieve the objective of the bank.

Despite the pandemic that threatens clients' small businesses, the Bank helped or assisted the clients to bounce back from the effects of the pandemic and be resilient this trying time. The Bank continuously expands its bank operations to better serve its ever-growing number of clients and the changing consumer behavior/environment through mobile banking and other digital initiatives.

For effective and efficient credit risk management, a Loan Remedial Officer is vital to assist and reinforce the operation by promoting collections, reducing Portfolio-At-Risk (especially matured loans) as well as reactivation of inactive members

RISK GOVERNANCE

The risk management process is incorporated in the Bank management system, and all levels of operations/units are involved. The respective unit head/supervisors are risk owners and are responsible in identifying risk at their levels through regular monitoring.

Risk Management is independent from executive functions and business unit responsibilities, operations, and revenue-generating functions. Although the Chief Risk Officer (CRO) may report to the President, CRO has direct access to the Board of Directors and Risk Oversight Committee without any impediment. CRO has sufficient stature, authority, and seniority within the Bank. CRO has ability to influence decisions that affect the Bank's exposure to risk. CRO engaged in discussions with BOD, ROC, and Senior Management on key risk issues and have access to the information deem necessary to form sound judgment.

Risk Culture

CARD Bank is implementing a risk culture that defines the set of individual and corporate values, attitudes, competencies, and behavior to show commitment on risk management. This is in compliance with circular 900-Guidelines on Operational Risk Management.

The main components shall include:

1. Staff at all levels shall clearly understand their responsibilities with respect to risk management.
2. Adoption of procedures with clearly drawn lines of authority, segregated duties and responsibilities, and appropriate checks and balances across the institution.

Three Lines of Defense

1. First Line of Defense – assure that operational people are accountable for the risk assumed in operational activities.
2. Second Line of Defense – review functions of the risk management department for ensuring that risk assumed by CARD Bank are appropriately managed and controlled.
3. Third Line of Defense – assure that Internal Audit as an independent function is controlling in line with best industry practices the activities of the First Line and Second Line of Defense.

RISK APPETITE, STRATEGIES AND RISK MANAGEMENT PROCESSES

Over time, the Bank experienced various type of risks that became guidelines in improving its product and services. Following are the different type of risks, profiles, and mitigating strategies and activities to manage and mitigate risk:

#	Type of Risk	Risk Profile	Mitigating Strategies
1	Credit Risk – denotes danger that borrower is not able or willing to pay the principal and/ or interest at maturity date.	<ul style="list-style-type: none"> • Highly volatile due to non-collateralized loans • High loan loss provisioning eroding profitability and equity • Breakdown of discipline by some members that impact some good borrowers 	<p>First Line of Defense:</p> <ul style="list-style-type: none"> • Intensive follow-up for defaulters • Daily monitoring of default members • Rehabilitation program for branches with high portfolio at risk • Sample legal cases for default members • Encourage members attendance in weekly center meetings • Intensifying and rebuilding of credit discipline of members thru awareness of advantages and benefits as members/stockholders and Lakbay Aral program. • Codified signing and approving authority. <p>Second Line of Defense:</p> <ul style="list-style-type: none"> • Mitigate the risk of incurring losses • Check if the credit risk exposures are within the bank risk appetite • Develop and review the credit risk policy and recommend changes in the credit risk policy to the Risk Oversight Committee and board of directors. • Check and monitor if credit risk policy is properly implemented • Monitor the loan portfolio with higher risk • Maintain the level of non-performing loans below 3%. Take specific actions in case part of non-performing loans exceeds 3% to recover the loans such as: • Develop a policy to recover the uncollected amount of past due loans • Up-to-date reporting of the status of the loan portfolio to the Risk Oversight Committee and Board of Directors • Check the credit concentration to ensure if within defined limits <p>Third Line of Defense</p> <ul style="list-style-type: none"> • Ensure that Internal Audit is an independent function and has the responsibility of reviewing and verifying the internal control systems and procedures to confirm that they are operating smoothly.
2	Interest Rate Risk - Risks to earnings or capital arising from mismatches of the timing within which interest rates on assets and liabilities can be changed.	ALCO regularly monitor this risk	<ul style="list-style-type: none"> • Interest rate risk sensitivity decisions is done by the Asset and Liability Committee (ALCO) represented with the Head of Finance and Accounting as Chairperson • Manage the impact of interest rate environments with balances mix of fixed and variable rate. • Mitigate the risk of incurring losses arising from market interest rate changes to an acceptable level.

#	Type of Risk	Risk Profile	Mitigating Strategies
3	Liquidity Risk – Risk of a temporary cash flow problem, because assets can be liquidated by large discounts.	Savings composition with an average of 60% of fund had come from savings there are available credit lines.	<p>First Line of Defense</p> <ul style="list-style-type: none"> • Creation of Assets and Liability Committee • Management Committee (ALCO) that reviews liquidity position of the bank monthly. • Early repayment and settlement of loan balances when there are excess funds • Continuous savings mobilization activities and program <p>Second Line of Defense</p> <ul style="list-style-type: none"> • To Check if the obligations can pay on time where this is present and future debts considering the nature of performed activities and requirements due to changes in market environment by checking the financial position and contingent liabilities and commitments. • Up-to-date monitoring and reporting to the Risk Oversight Committee if compliant based on the set standard ratio or limit.
4	Operational Risks - Risk to earnings or capital that may arise because of weakness in organizational structure, poor oversight function of board of directors and senior management, defective personnel recruitment policy, weak internal control system, inadequate internal and external coverage, and deficient management information system.	<ul style="list-style-type: none"> • People Risk: internal fraud, External fraud, incompetency, work force interruption, wrongful employment termination. • Process Risk: failure of internal process, exceeding limits, project of overruns, inadequate project plan, failure to adhere internal and external compliance procedure, security risk. • System and Technology risk: network failure, external security breaches, failure to integrate or migrate with/from existing system. • External Risk: legal risk, regulatory risk, political risk, 	<p>First Line of Defense</p> <ul style="list-style-type: none"> • Strengthen internal control through enhancement of monitoring and supervision at all levels • Upgrading of staff capacities both at the top and middle management by sending Senior Officer and Management to different schools like Asian Institute of Management (AIM) in Makati, Southern New Hampshire University in USA, South-East Asia Interdisciplinary Development Institute (SAIDI). • Regular monthly monitoring by the Executive and Management Committee each with individual target • Regular management committee meeting once in a month. <p>Second Line of Defense</p> <ul style="list-style-type: none"> • To monitor assessment of the exposure to all types of operational risk faced by the company by assessing the quality and appropriateness of mitigating actions. • To ensure that adequate controls and systems are in place to identify and address problems before they become major problems. • Up-to-date reporting of the status of the operations related to risk to the Risk Oversight Committee and Board of Directors
5	Compliance Risk – is the risk of legal or regulatory sanctions, financial loss, or loss to reputation a bank may suffer because of its failure to comply with all applicable laws, regulations, code of conduct and standards of good practice.	Very strong Compliance Unit	<p>First Line of Defense</p> <ul style="list-style-type: none"> • With compliance committee conducting regular monthly meeting. • Regular reporting of compliance risk issues to the Risk Oversight Committee. • Compliance staff is also conducting regular monitoring and testing of branch compliance. <p>Second Line of Defense</p> <ul style="list-style-type: none"> • Check and monitor the status of reporting to BSP if compliant • Reporting of compliance risk issues to the Risk Oversight Committee

#	Type of Risk	Risk Profile	Mitigating Strategies
6	Information Technology Risk – any risk related to information technology	Procedures are yet in checking parameters. Security feature of the current system is currently establishing.	<p>First Line of Defense</p> <ul style="list-style-type: none"> • Core team to monitor IT related problems was established with regular monthly meeting. • With Board and management oversight. • Regular IT Audit. • Each branch will log all the IT related issues and concerns in ITmate (concern tool) which serve as reference for all the encountered problems and actions taken. • For security of data and source code of the system, IT staff has Confidentiality and Non-Disclosure Agreement (CNDA) <p>Second Line of Defense: Ensure that the risk under Information technology risk is monitored and report to the Risk Oversight Committee as follows:</p> <p>a. Process Risk Areas</p> <ul style="list-style-type: none"> • Check the processes, procedures, and guidelines for managing risks if established and fully documented and reviewed for relevance and usefulness. <p>b. Human Resources Management Risk Areas</p> <ul style="list-style-type: none"> • Check if the assigned personnel possess the required skills to handle the systems, equipment, services, and facilities in placed and planned. • Check if there is Succession planning for key positions. • Check if procedures is put in place that all concerned personnel are briefed on the information security roles and responsibilities. <p>c. Platform / Application Risk Areas</p> <ul style="list-style-type: none"> • These are related to the selection and implementation of system hardware, operating and application software associated with the use of information system. In selecting and implementing of any software assets, management have considered the availability and adequacy of support to all platforms within the bank and outsourced IT infrastructure. <p>d. Network Security Risk Areas</p> <ul style="list-style-type: none"> • Check the risks associated with the connection of information systems, terminals, and other connections to the internal network infrastructure and to the external network such as the Internet and other third-party facilities. • Security and network management systems are implemented to monitor any unauthorized access or usage of the systems, resources, and facilities. Management should ensure that all network devices and other communication systems are updated and maintained properly.

#	Type of Risk	Risk Profile	Mitigating Strategies
			<p>e. Physical / Environmental Risk Areas</p> <ul style="list-style-type: none"> • Check and report if the physical installation and site of the data center, disaster recovery site(s) and other offices were in a place free from environmental risks like flood, fire etc. Mitigating steps were taken in cases that any site has been identified susceptible to risk. <p>f. Information Assets Risk Areas</p> <ul style="list-style-type: none"> • All identified information and information assets were securely stored with its full documentation for the continuous operations of the systems and infrastructure. Documentations were maintained and kept updated. There are proper process and procedures in place for verification of all the documentations. <p>g. Outsourcing/External Vendor Risk Areas</p> <ul style="list-style-type: none"> • Check if Service level agreement put in place in outsourcing of work to vendors. • Requirements and responsibilities are clear. • Check the lists of service provider that can be easily identified in cases of failure of delivery of services or worst a termination of contract. • A standard termination/pre- termination clause should be embedded in every Maintenance Agreement to be able to terminate the contract, with or without a cause, at least thirty (30) days prior to the intended date of termination. • Check if the regular review on the vendor's service performance is also conducted by the IT Governance Department. <p>h. Bank's Responsibility Risk Areas</p> <ul style="list-style-type: none"> • Check the risks associated with the connection of information systems, terminals, and other connections to the internal network infrastructure and to the external network such as the Internet and other third-party facilities. • Check if proper information on all the benefits is provided for sake of customer on the correct usage of the information system and increase awareness on the aspects of security and confidentiality of data.

#	Type of Risk	Risk Profile	Mitigating Strategies
7	Legal Risks - Risks to earnings and capital that may arise because of unenforceable contracts, lawsuits, or adverse judgments.	Increasing risk due to increasing transaction.	<ul style="list-style-type: none"> • Well documented and set up detailed guidelines for legal transactions involved. • With Legal staff in-charge for the completion, compilation and filing of all legal documentations. • Guidelines in handling legal cases were established to guide employees in handling staff cases. • Settlement of cases shall be done through the Legal Counselor through court proceedings. Executives and Legal Counsel are given authority to decide whether to pursue staff cases or execute compromise agreement: • Designation of approving authorities on legal recommendations. • To prevent lawsuit, more importantly, the following are being observed by the bank: • Maintenance of Legal Counsel in the form of Retainers and maintenance of Legal Unit. • Regular consultation with the Legal Counsel and the Legal Unit on matter that has legal consequences. • Regular monitoring and upgrading of legal policies. • Reports of banking activities and other significant issues are submitted for regular review by the Board of Directors, Executive Committee, Management Committee Regulatory Agencies (i.e. BSP, PDIC, SEC and BIR) • Para-legal training for employees of the bank and capacity building for Legal Unit officers and staffs. • Regular monitoring of contracts being entered into by CARD Bank. • Review of insurance premium being paid to Philippine Deposit Insurance Corporation. • Periodic review and updating of legal documentation used by CARD Bank.
8	Market Risks - Risk to earnings or capital arising from the possible decline in value of trading accounts and investment in equities and debt instruments.	<ul style="list-style-type: none"> • Low risk because the bank is not yet involved with trading. • Investment and bills payable are being monitored by ALCO 	<ul style="list-style-type: none"> • Ensures to identify, measure, control and monitor market risks that may always arise from the conduct of its business transactions and at its portfolio level. • Active and Appropriate Board and Senior Management Oversight • Proposals and the subsequent new product/activity review are formally presented and written. • An accurate, informative, and timely management information system was regularly prepared and reviewed to inform management and to support compliance with board policy. • Summary of findings or reviews of market risk policies and procedures and the adequacy of the market risk measurement systems including any findings of internal and external auditors and retained consultants.

#	Type of Risk	Risk Profile	Mitigating Strategies
9	Business Continuity Program Management (BCP) Risk - Risk to swiftly resume business operation in the event of business disruptions/disasters	Increasing risk since the bank was in the stage of digital transformation wherein reliant to technology that may impact the operation. However, there were action taken and existing controls to relevant risks and ability of the bank to swiftly resume business operation in any disruptions/disasters	<ul style="list-style-type: none"> • In the event of a disaster which interferes with Bank's ability to conduct business from one of its offices, this program is to be used by the responsible individuals to coordinate the business recovery of their respective areas and/or departments. • The plan is designed to provide reference to all the information that might be needed at the time of a business recovery. • The Business Continuity Management Program (Business Continuity Plan), is part of the overall Risk Management Program of the Bank, has been established not only to comply with the requirement as set out by the Bangko Sentral ng Pilipinas (BSP), but also to serve as a guide for the Board and Senior Management in ensuring continuity in the business of the bank and for carrying out smooth and efficient banking activities towards profitability. • Coverage of the Business Continuity Management Program (Business Continuity Plan) as follows: <ol style="list-style-type: none"> 1. Alternate and Business Recovery Sites 2. Business Continuity 3. Business Continuity Management (BCM) 4. Business Continuity Plan (BCP)/Plan 5. Business Impact Analysis (BIA) 6. Crisis 7. Crisis Management Plan (CMP) 8. Critical Process 9. Cyber Resilience 10. Events 11. Pandemic 12. Recovery Point Objective (RPO) 13. Recovery Time Objective (RTO) 14. Resilience • Risk Assessment Technology Recovery Plan (TRP)/Disaster Recovery Plan (DRP)

REGULAR MONITORING

Risk identification is part of the regular activities of all bank personnel starting from Account Officer up to the Executive Level. All risk issues noted are being discussed on the respective meeting of each unit and for those risks that cannot be resolved within the respective level are being discussed with upper management. The risks are identified through the following process:

- a. Risk identification wherein the Unit can list down major risk that the Unit is facing.
- b. Major strategies and objectives of the Unit in resolving the identified.
- c. Discussions in the regular meeting

RISK SCORING

Risk Scores are calculated to help the Bank understand which of the current Risk Events represent the most significant threat to Bank and are most in need of mitigation. Risk Score is determined by cross referencing the likelihood that a risk will occur with the impact of the risk should it occur which is automatically calculated by the Risk Management Tool.

Likelihood and Impact Severity Thresholds

To allow Bank more accurate in determinations of the degree of threat presented by the present Risk Events, it uses the following severity thresholds:

RATING	MEANING	DESCRIPTION
1	Rare	Less than 5% of the risk to occur
2	Unlikely	6% to 20% of the risk occur
3	Possible	21% to 50% of the risk to occur
4	Likely	51% to 80% of the risk to occur
5	Almost Certain	Greater than 80% of the risk to occur

Impact to the Organizations

Rating	Meaning	Financial	Operational	Regulatory	Reputational
1	Insignificant	Impact of risk to the organization might involves either negligible, minimal, high and significant financial loss	Minimal disruption in the delivery of one of the institution's services, products and/or operations	May receive queries or request report to be submitted to regulatory body or may have legal or regulatory sanction and/or penalty	Effect of risk might either localized, controllable, significant or long lasting on the reputation of the Bank.
2	Mild				
3	Moderate				
4	Significant				
5	Catastrophic				

RISK ORGANIZATIONAL STRUCTURE

The Board of Directors

The Board of Directors delegate authority to Risk Oversight Committee to balance performance and compliance by ensuring that management's actions are consistent with CARD Bank's strategy and in line with the organization's risk tolerance. The Risk Oversight Committee delegates authority for identifying, analyzing, managing, and reporting risks to an independent risk management department.

The Risk Oversight Committee

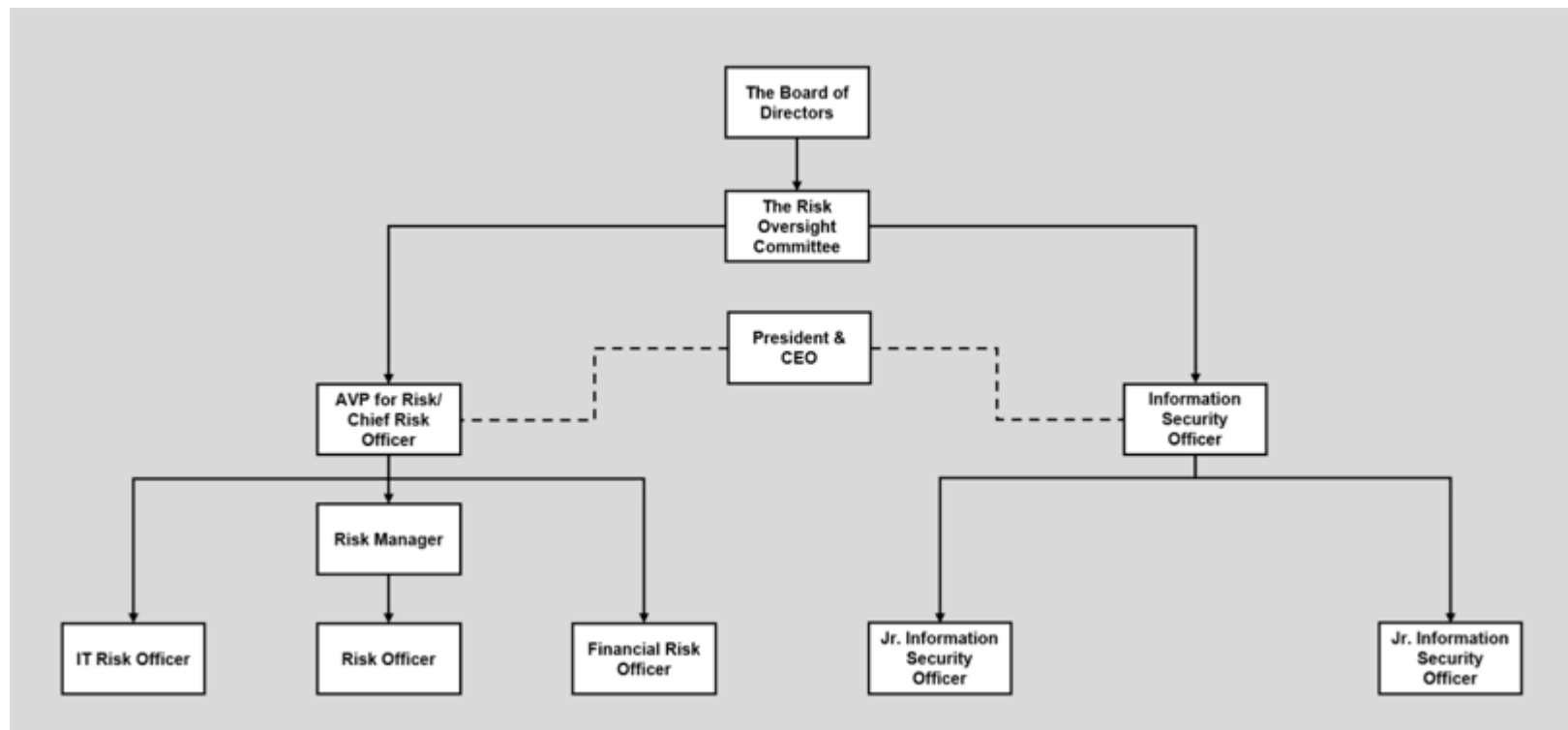
CARD Bank had a founding vision being a bank that would be owned by the poor, especially by the landless rural women. This vision was kept intact by its Board Members, the management, and more importantly, by its members.

In line with this vision is the Board of Directors and management concern on "risk management". The creation and approval of risk oversight committee, other than compliance to Circular No. 456, is also a vital move by CARD Bank's Board of Directors because a bank's success is largely dependent on the ability of its directors and officers in managing risks.

The Risk Management Unit

CARD Bank has a functioning independent risk management unit that effectively covers all risks (including financial and operational risks) associated with the various activities and operations of the Bank to ensure their consolidated control and appropriate management and to provide the required coordination across all departments of the Bank.

The unit is headed by a Chief Risk Officer with a level of Vice President who is reporting to Risk Management Committee and regularly coordinating to the President for all the matters related to risk. The unit is composed of Risk Manager, Risk Officer, IT Risk Officer, Loan Remedial Officer and Financial Risk Officer.



CODE OF CONDUCT AND BUSINESS ETHICS

CARD Bank institutionalized the highest ethical standards through strict implementation of the Bank's Code of Conduct, the guiding principles and policies governing the activities of the institution.

Related Party Transactions

To foster transparency of related party transactions between and among the Bank and its related parties, affiliated companies, directors, officers, stockholders, related interests (DOSRI), the Bank complies with the legal and regulatory requirements pertaining to proper approval and disclosure of such transactions. Transaction with related party shall be in the regular course of business and upon terms not less favorable to the bank than those offered to others to avoid insider abuses and unfair competitive advantage. Policies and procedures are in place to manage potential conflicts of interest arising from related party transactions such as credit accommodations, products or services extended by the Bank to directors or officers for their personal capacity or to their company.

The board shall be the ultimate and overall responsible in ensuring that transactions with related parties are handled in a sound and prudent manner with integrity and in accordance with all applicable laws, rules and regulations to protect all stakeholders. The RPT committee has review and evaluate each transaction with related party to assess its fairness. The RPT committee is composed of three (3) members of the board of directors, all of whom are independent directors.

STAKEHOLDERS INTEREST

CARD Bank recognizes the inherent rights of shareholders in accordance with the law and align the principles and policies with the interest of its shareholders.

CARD Bank, Inc. Stockholders

The Bank envisions transferring its ownership to the economically challenged women; hence it encourages its members to become stockholders. Clients can acquire shares through their Pledge Savings. Dividends are given as one of the benefits of being a stockholder. The stockholders are also given the right to take part in the decision-making of the Bank. The annual Stockholders meeting is organized to inform clients of the updated financial conditions of the Bank. The Stockholders can cast their votes and are given the opportunity to question and express their opinions and suggestions.

Disaster Preparedness and First Aid Training

In cooperation with LGU Fire Department and PNP, fire and earthquake drills, first aid, and robbery/theft training were conducted each year. Such training aims to orient and teach the staff of the Bank on how to properly response and be prepared in times of disaster or unfortunate events. The branch offices were advised to consistently participate in the LGU activities on disaster preparedness initiatives as part of LGU's awareness drive. Regular orientations and reminders were also conducted by the security group during their branch monitoring.

Supplier/Contractor Selection Criteria

CARD Bank conducted an annual review of the accredited suppliers to ensure that the Bank selected the most effective and efficient third-party product and service providers. The due diligence considered the financial stability of the supplier, the ability to provide competitive price, good products, and services, and its compliance with the regulatory requirements.

Employee Benefits

As the Bank continues to give importance to its employees, the Bank conducted an Annual Physical Exam, commonly known to its staff as APE. The APE provided free health care benefits and free access to health facilities such as fitness center and medical clinics manned by occupational health practitioners. As a member institution of CARD MRI, CARD Bank continuously pursues competence and high regard on our human resources.

Sustainable Financial Framework

The Bank has given importance to the issues of climate change and other environmental and social risks that could pose financial stability concerns considering its possible impact on the operations of the Bank. As a social-oriented organization, the Bank has incorporated in its operations some initiatives that are aligned with the environmental and social risk management program. Among them are the assessment of client's loan applications to ensure that no client will be given financial assistance if the business or project is related or associated to social and environmental hazardous activities. The Bank has also offered loan products to support environmental and social programs such as Other Loans to help our clients install Solar Power equipment for their electric supply and educational loans for their children and grandchildren. Likewise, the Bank's corporate social responsibility programs were designed to improve the economic status of our clients and their families and contribute to the development of their community.

The sustainability landscape structure implementation of the bank is categorized into four sectors, each containing several fields of action. The first three sectors, namely Strategy and Management, Business Operations and Core Business, form the substance of implementation. The fourth sector, Communications and Corporate Citizenship, makes this substance visible both by communication and by the translation into the practice of donations and contributions.

The Bank has also supported Republic Act 9003, also known as the "Ecological Solid Waste Management Act," by implementing proper segregation and disposal of solid wastes. Furthermore, as the issue of climate change continues to threaten our water resources, we implemented a policy that encourages all our offices to use water efficiently. We have used solar panels in some of our offices to ensure continuous operations despite certain calamities, especially storms and typhoons. This endeavor is also in line with the renewable energy initiative of CARD MRI.

Overview

The earth's environment is under severe stress from uncontrolled human activity, threatening the survival of our society and the performance of CARD Bank, Inc.'s mission and vision.

CARD Bank, Inc. accepts that it must work to contribute to preserve the environmental sustainability of the planet, at all levels of its operations – in its own practice, as a participant in a community of practice.

CARD Bank, Inc. aspires to minimize its impact on our environment and maximize the effective use of resources. We strive to achieve this by increasing communication and awareness of our efforts in accordance with this policy and fostering responsible environmental behavior amongst staff, volunteers, and users at all levels.

CARD Bank, Inc. is committed not only to complying with applicable law in all its operations but to minimize risks and impacts through the development of robust and documented systems to implement, measure, monitor, and disseminate excellent environmental performance both within its operations and to the broader community.

SUSTAINABLE DEVELOPMENT POLICY

The Sustainability Policy aims to integrate a philosophy of sustainable development into all the organization's activities and to establish and promote sound environmental and social practice in the operations.

CARD Bank Inc. commits itself to minimizing its adverse impact to our environment and society through;

- Becoming a responsible business that meets the highest standards of ethics and professionalism.
- Promoting an identity as a socially aware and responsible business.
- Providing a safe and healthy workplace.
- Having an environmentally sustainable aware culture, where responsibility is assigned and understood.
- Being an environmentally responsible neighbor in our community.
- Conserving natural resources by reusing and recycling.
- Using, in our own operations, processes that do not adversely affect the environment.
- Ensuring the responsible use of energy throughout the organization.
- Participating in efforts to improve environmental protection and understanding.
- Taking steps to improve environmental performance continually.
- Conducting rigorous audits, evaluations, and self-assessments of the implementation of this policy.
- Working with suppliers who promote sound environmental practices; and
- Enhancing awareness among our employees, volunteers, and users – educating and motivating them to act in an environmentally responsible manner.

Commitment to Sustainable Development

CARD Bank, Inc. is committed to support and uphold the principles and development strategy of the United Nations in achieving the 17 Sustainable Goals. Strategies of CARD Bank, Inc. to its journey towards sustainability:

Existing Initiatives and Projects

No	Sustainable Development Goals (SDG) Alignment	Rationale	Existing Initiatives and Proposals
1	No Poverty	End poverty in all its forms everywhere.	<ul style="list-style-type: none"> • Objective and Goals of CARD Bank, Inc. to empower socially and economically challenged women and families with financial services. • Microfinance Products and Services offers loans related to combating poverty. • Progress Poverty Index (PII)
2	Zero Hunger	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture	<ul style="list-style-type: none"> • Possibility to provide feeding initiatives to the communities. • Sponsorship with LGUs
3	Good Health and Well Being	Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> • Providing employees with health benefits such as PhilHealth card, EMPC benefits, and health insurances. • Providing clients with insurance and health loans in the form of Sagip and Kabuklod Loan Product. • Free check-up and community health day.

No	Sustainable Development Goals (SDG) Alignment	Rationale	Existing Initiatives and Proposals
4	Quality Education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> • Provide clients and employees with schooling programs to obtain a bachelor's degree in CMDI. • Provide scholarships to children of clients and employees. • Established the Zero Dropout Educational Scheme (ZeDrES). • Credit with Education (CWE)
5	Gender Equality	Achieve gender equality and empower all women and girls.	<ul style="list-style-type: none"> • Compliance with Philippines' Republic Act 9262 or Violence Against Women (VAW). • Equal gender equality with the clients • The same career development, equal treatment, and opportunity for both male and female employees
6	Clean Water and Sanitation	Ensure availability and sustainable management of water and sanitation for all.	<ul style="list-style-type: none"> • MD-087-2022: CARD MRI's Commitment to Nation Building Environment Protection • HR Advisory: Paalalang Pangkaayusan at Pangkalinisan sa Lugar na Pinagtatrabahuhan at Himpilan • Policy memo related to MMA Memo 34: Polisiya at Patakaran Patungkol sa Kalikasan at Panlipunan • Sponsorship of cleaning rivers, lakes, and oceans • Tree planting
7	Affordable and Clean Energy	Ensure access to affordable, reliable, sustainable, and modern energy for all.	<ul style="list-style-type: none"> • Provide solar panels to clients through an affordable loan. • Implementation of solar equipment to provide renewable electric source to branches located in far-flung rural areas.
8	Decent Work and Economic Growth	Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.	<ul style="list-style-type: none"> • Public Service Awardee of Ramon Magsaysay in 2008. • To be included in the Top Employers List
9	Industry, Innovation, and Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	<ul style="list-style-type: none"> • Development and implementation of technology-based service delivery initiatives e.g. MOB, LOS, Chatbot, DCM, ATM, konek2CARD. Less documents are needed, and less physical storage is required. • Use of cloud (e.g. google) checklists compared to paper-based checklist. • Continuous digital innovation

No	Sustainable Development Goals (SDG) Alignment	Rationale	Existing Initiatives and Proposals
10	Reduced Inequalities	Reduce income inequality within and among countries.	<ul style="list-style-type: none"> • Equal financial services opportunities for men and women. • Acceptance of employees and clients with disability and equal treatment.
11	Sustainable Cities and Communities	Make cities and human settlements inclusive, safe, resilient, and sustainable	<ul style="list-style-type: none"> • All employees should have tumblers to prevent using plastic mineral waters. • Avoid using plastic utensils. • Proper segregation of garbage into Plastic, Paper and “Nabubulok”. • Possible to have a project initiative of tree planting and community cleaning sponsored by CARD Bank, Inc. • Project initiative on how we can give back to the community. • CWE consideration regarding Sustainable Cities and Communities. • Possible review of housing loan criteria.
12	Responsible Consumption and Production	Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> • Upgrading of Desktop PC/Laptop compared to purchasing new system units. • For upgrade of storage and memory for basic workstations (e.g. tellers and operations). • For advance workstations for Cashier and Bookkeeper, new system unit or an 8th gen processor CPUs or higher, SSD storage and minimum of 8GB memory are required. • Use of aircon should be within office hours
13	Climate Action	Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy.	<ul style="list-style-type: none"> • Develop training modules (Credit with Education or CWE) to give awareness and to educate and engage clients into traditional fishing and farming and conventions method of fishpond management and hydroponic system of planting.
14	Life Below Water	Conserve and sustainably use the oceans, seas, and marine resources for sustainable development.	<ul style="list-style-type: none"> • Conserve and sustainably use the oceans, seas, and marine resources for sustainable development.
15	Life on Land	Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.	<ul style="list-style-type: none"> • Avoid and control loans related to the possible degradation of the forest and nature reserves. • Tree planting. • Clean the lakes (e.g. Sampaloc lake) • Monitoring E&S regarding forestry
16	Peace, Justice, and Strong Institutions	Promote peaceful and inclusive society for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels.	<ul style="list-style-type: none"> • The institution do not support rebels, bribery, and other wrongdoings. • AML compliance consistently monitor possible use of banking facilities for crimes (e.g. money laundering). • AML and Compliance awareness

No	Sustainable Development Goals (SDG) Alignment	Rationale	Existing Initiatives and Proposals
17	Partnership for the Goals	Strengthen the means of implementation and revitalize the global partnership for sustainable development.	<ul style="list-style-type: none"> Partnership with companies with sustainable development goals and ethical practices.

Social Aspect. Financial inclusion purposes include getting the population out of the financial system (unbanked population) into the formal financial system that will give them the opportunity to access a wider broad financial service that could help them transform their lives and lift their standard of living. Financial institutions such as microfinance are instruments for financial inclusion specifically in providing financial services to the poor who cannot be reached by many formal financial intermediaries. Microfinance is also a development strategy with significant potential for poverty alleviation and economic development.

Microfinance is a tool to enable the poor to start their own business to survive in society, lift out themselves from poverty, and save something to fulfill their basic needs. The provision of microfinance products enables poor people to set up income generating activities that ultimately provide them with income for their domestic consumption.

Environmental Aspect. MFIs involved in environmental management. More particularly, it aims to help donors and technical assistance providers in identifying where to orient their technical and financial support for the promotion of a triple bottom line approach. Larger MFIs tend to perform better in environmental policy and environmental risk assessment. More mature MFIs tend to have a better environmental performance, in the provision of green microcredit and environmental non-financial services. Financial performance is not significantly related to environmental performance, suggesting that 'green' MFIs are not more or less profitable than other MFIs. MFIs registered as banks are more likely to have a better environmental performance.

The operations of a financial institution do not generate significant environmental and social impacts, but the way their clients/investees manage impacts of their operations may pose risks to a financial institution.

Environmental Aspect. The Banking sector where CARD Bank, Inc. is a part of, has a pivotal role in the development of an economy. It is one of the key drivers of economic growth of the country and has a dynamic role to play in converting the idle capital resources for their optimum utilization to attain maximum productivity (Sharma, 2003). In fact, the foundation of a sound economy depends on how sound the Banking sector is and vice versa.

These microfinance services holders contribute to economic growth and poverty reduction. Microfinance services may aid in reducing eruption of social and moral evils like prostitution, crimes, and the likes. The potential impact of microfinance, to understand how microcredit has a positive impact on the lives of very poor people in the area they are in. It is important to note that the poor in rural areas and small farmers in developing countries are severely affected by extreme poverty threats.

Existing and Emerging E&S Risk

The primary objective of a risk assessment is to identify the potential negative environmental and social impacts so that appropriate strategies to address it will be developed. Listed below are the environmental and social key issues identified in an organization engaged into Micro and Small Medium Enterprises (MSMEs) operations.

- Social Issues - These are issues related to sanitation and living conditions, child labor, safety in the workplace, education, illegal activities - for instance illegal CD/DVD copying, illegal sales of alcohol, infrastructure.
- Environmental issues - These are issues faced in relation to pollution (e.g., waste, water, air), use of chemicals and pesticides, use of energy, destruction of forest (brick-burning, charcoal production, and wood logging).
- Climate issues - While climate change may not be directly caused by the bank's customers and business partners, it is a risk they are facing as well. For example, natural disaster events due to climate change can impact businesses and individuals which can potentially jeopardize their ability to pay back their loans. Equally, transitional risk arise from substantial changes in industries that were accepted and valued over a long period of time - which can also lead to massive economic effects for those affected.

Environmental and Social Policy

CARD Bank, Inc.'s exposure to environmental and social risks are relatively low since the majority of the bank's clientele were individuals and micro or small businesses which engages people living below the poverty line. Although the size of each financed business is small, the collective E&S impacts are considerable given the large number of such clients the Bank supports.

As such, the Bank is committed to adopt appropriate and effective Environmental & Social Risk Management System (ESRMS) to manage its financing activities, products, and services through implementing the following E&S practices:

- Ensure all business activities financed by CARD Bank, Inc. comply with the applicable national E&S laws and local regulations.
- Do not finance any activities on the Exclusion List (Annex A)
- Incorporate E&S risk assessment into the financing activities.
- Carry out E&S monitoring to ensure the client's continual compliances with the bank's E&S requirements.
- Identifying, mitigating, and monitoring the continuous compliance to effective Environmental and Social management shall be implemented.
- Communicate the E&S requirements to the bank's clients and provide E&S training for relevant staff.
- Address the risks of climate change in accordance with Bangko Sentral ng Pilipinas Circular No. 1085 on Sustainable Finance Framework.

Credit Risk Management System (CRMS)

Credit risk management related to Environmental and Social risks is a regular component report of the risk management unit. Composition of loan portfolio is reviewed by Risk Management and reported during Risk Oversight Committee (ROC) meeting. Stress testing and scenario analysis will be developed in the credit strategy and risk appetite.

1. Integration to Banking Operations

The Bank continually endeavors to ensure effective sustainable practices in all its activities, products, and services with a special focus on the following:

- All projects shall be reviewed and evaluated in compliance with the applicable national laws on environment, health, safety and social issues and any standards established therein.
- Projects engaged in any of the items which fall under the prohibited list shall not be qualified to any transaction.
- Only those projects designed, operated, and maintained in a manner consistent with the applicable requirements shall be financed.
- Continuous monitoring activities shall be set up and implemented in compliance with the applicable requirements.
- Transparency in the performance of identifying, mitigating, and monitoring the continuous compliance to effective sustainable finance shall be ensured.
- The management and shareholders of the client company shall have a clear understanding of the policy commitment set for environmental and social matters.

The Bank has come up with prohibited lists of activities/business which are considered harmful to the environment and encourage other sources of livelihood programs. Any clients engage in any of the following identified activities, programs, projects, and purpose of businesses do not qualify for financial assistance:

- a. production or activities involving harmful or exploitative forms of forced labor or child labor;
- b. production of or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements or subject to international phaseouts or bans, such as (a) pharmaceuticals, pesticides, and herbicides, (b) ozone-depleting substances, (c) polychlorinated biphenyls and other hazardous chemicals, (d) wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora, and (e) transboundary trade in waste or waste products;
- c. production of or trade in weapons and munitions, including paramilitary materials;
- d. production of or trade in alcoholic beverages, excluding beer and wine;
- e. production of or trade in tobacco;¹⁰
- f. gambling, casinos, and equivalent enterprises;¹⁰
- g. production of or trade in radioactive materials, including nuclear reactors and components thereof;
- h. production of, trade in, or use of unbonded asbestos fibers;
- i. commercial logging operations or the purchase of logging equipment for use in primary tropical moist forests or old-growth forests; and
- j. marine and coastal fishing practices, such as large-scale pelagic drift net fishing and fine mesh net fishing, harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats.

Environmental and Social Risk-Related Loans

No.	Industrial Sector	Outstanding (Peso)	% of Portfolio
1	Fabricated Metal Product Manufacturing	9,706,697.34	0.06%
2	Fishing	372,983,915.09	2.38%
3	Forestry	236,685.14	0.00%
4	Furniture and Related Products	36,226,719.60	0.23%
5	Leather and Allied Products	973,430.45	0.01%
6	Oil, Gas and Mining	31,550,822.75	0.20%
7	Plastics and Rubber	6,131,043.40	0.04%
TOTAL		457,809,313.77	2.93%

TOTAL E & S LOAN PORTFOLIO VERSUS TOTAL LOAN PORTFOLIO	Total Loan Portfolio	E & S Total Portfolio
	15,640,358,962.21	457,809,313.77

2. Sustainable Products and Services

a. Health Loan Products

The Bank has offers Other Loan-Health Loan Premium that is intended for health security and insurance premium payment of members and savers who wants to avail insurance products for their continuous protection against un-expected circumstances such as sickness, loss of life and property, among others.

- OL-Health Loan-SSS Premium
- OL-Health Loan-PhilHealth Premium
- OL-Health Loan-Insurance Premium

The Bank also offer OL-Health Loan-Laboratory aiming to help and assist our clients and their family members to protect and monitor their health conditions. Laboratory test including regular health check-up is an additional service offered to client to detect and prevent aggravation of their health conditions.

b. Educational Loan Products

This loan product is intended to assist those members with children or dependents in Pre-school and Elementary level (Daycare/Kinder, Prep, and Grades 1 to 6), High School and College level children but needs financial assistance to send them to school.

CARD Bank believes that education has been a powerful tool to reduce poverty incidence in the country. This loan program is aligned with CARD initiative to achieve one (1) family one (1) graduate.

Zero Drop-out Loan Program. The objective of this Zero Dropout Loan Program is to help poor families send, and eventually graduate their children to elementary education. Th Bank recognizes that education is the primary step in poverty alleviation. The poor will get poorer unless he/she is able to read, write, and count, to compete.

c. Solar Loan Products

In reference to the Updated Loan Product Matrix and Additional Guidelines for Solar and SME Loans dated January 19, 2023. The Bank reactivated the offer of Solar Loan to our clients with the following guidelines:

- Solar loans can be availed by the client/member through cash loan release intended to purchase solar power equipment. Proof of purchase/official receipt will be checked and validated by Account Officer and Unit Manager upon Loan Utilization Check (LUC).
- To promote and increase client awareness on Solar Loan Product Features, this will be part of the Center Meeting Agenda to be discussed by the Account Officer.

Credit Risk Management System (CRMS)

The Operational Risk Management System is to effectively identify, assess, monitor, report, and manage E&S risks related to operations. The bank has integrated in its day-to-day operations some initiatives that would preserve and protect deterioration of natural resources. Among the policies and procedures implemented are as follows:

1. Integration to Day-to-Day Operations of Branches and Offices

Climate change is one of the most complex issues facing us today. It involves many dimensions – science, economics, society, politics and moral and ethical questions – and is a global problem, felt on local scales, that will be around for decades and centuries to come. Carbon dioxide, the heat-trapping greenhouse gas that has driven recent global warming, lingers in the atmosphere for hundreds of years, and the planet (especially the oceans) takes a while to respond to warming. (<https://climate.nasa.gov/solutions/adaptation-mitigation/>)

As part of the Banks commitment to contribute to nation building, the bank has adapted some operational measures to preserve the devastating impact climate change through the following policy measures:

a. Efficient use of energy and other resources.

- Unplug all laptops, computers, electric fan, aircon, printers, and others when not in use.
- All Unit Offices except for Bank branches with regular transactions are encouraged to turn off their lights and air condition units during lunch time (12:00nn to 1:00PM).
- Exempted from turning off their lights/air condition units are offices requiring cool temperatures for servers, equipment, and others.
- Replace busted lights with a more energy-efficient LED lights.
- Maintenance personnel should ensure that all water lines are without leaks causing continuous flow of water.

b. Reduce carbon footprints and avoid negative impact on the environment.

- Most emails, including spam ones, unread ones, and those you simply forgot you never deleted are generally stored on the cloud. Cloud storage requires quite a lot of electricity, which in most parts of the world is still generated by fossil fuels. (<https://www.greenmatters.com/p/do-emails-leave-carbon-footprint>)
- To reduce the carbon footprint, if information can be done without using emails, use the alternative to convey the information – calls or text. Do not store bulk data in computers. To prevent too much cloud storage, always delete unnecessary emails, if emails are highly important for future legal or regulatory matters, save a copy of the email thread into your offline files (copy in the word file or save a copy in the off-site back up/desktop).
- Strict implementation of no single use plastic bottles during face-to-face meetings, gatherings or events. All are encouraged to bring their own water bottle/tumbler. No mineral water will be served in plastic bottles effective immediately.
- For affiliate institutions into sale of products (Mga Likha ni Inay, BotiCARD, CARD MRI Astro Laboratories, Inc.) they are advised to refrain from using plastic and make use of recycled materials or eco bags/katsa bags (can be outsourced from CARD clients who are into weaving/tailoring business).
- All vehicle engines should be turned off while waiting for passengers (in center meetings, waiting at the airport/office/events or official transactions. If possible, aircon to be used during extreme temperatures only, passengers are advised to roll off their windows.
- Practice car-sharing. Instead of using several vehicles on official business/travel, maximize the schedules for efficient travel arrangements through car-sharing. If possible, ride a bike going to office.

c. Proper Management of Hazardous waste

- The bank implemented segregation of waste in all branches and offices. Separate trashcan is installed for plastics waste and for biodegradable and non-biodegradable waste. Recyclable plastics bottles are collected separately and was coordinated with LGU for their recycling program.
- Separate container was maintained for busted fluorescent bulb and other electronic related waste and for changed oils of generators.
- All offices have installed septic tank for proper discharge of wastewater and accredit third party for septic tank siphoning, de-clogging and cleaning.
- The Bank ensure that all its branches and offices has complied with the sanitary and environmental permits.

d. Activities to help fight climate change.

- To schedule regular tree planting activities at the CARD's open spaces.
- Encouraged each office/employee to come up with products/programs aimed at helping improve the environment and alleviate climate change.
- Develop Credit with Education (CWE) Modules related to Climate Change – its effects, and how can employees and clients can contribute to prevent global warming.
- Coordination with CMDI for the seminar series about climate change and how to combat it.

e. Environment-Friendly Disposals Process of Office Documents

- The Bank ensure the compliance with the Implementing Rules and Regulations of Republic Act 9003 otherwise known as the “Philippine Ecological Solid Waste Management Act of 2000”. Disposal of paper should adhere to the Disposal policy considering following:
 1. All written or printed data are subject to the Document Management Policy.
 2. Corporate paper waste classified as internal, restricted or confidential should be shredded locally (within the department) and then recycled along with other non-restricted wastepaper.
 3. Third party suppliers who may handle disposal services must provide the subscribing department with a certificate of data destruction which records all restricted paper waste destroyed.

f. Other activities and initiatives.

- Bank’s investment, partnerships and collaborations with institutions/organizations with common advocacies/initiatives on climate change and avoid sectors that are into fossil fuel production or anything that is considered harmful to the environment (coal, fossil fuels and others).

2. Credit with Education Program

As a socially oriented institution, the service of the Bank is not just limited to loans and savings. The Bank believe that client education is an important piece for our client to live-out of poverty.

Under this program, members are trained in topics about health, entrepreneur and livelihood program, Bank’s products, and services, microinsurance, disaster preparedness, and credit discipline and financial management. Our CARD MRI Development Institute, Inc. prepared a series of educational modules which are being run into program by our Account Officers during weekly center meeting.

3. Consumer Protection Practices

In view of the Bangko Sentral ng Pilipinas (BSP) mandates for Financial Consumer Protection, the Bank has adopted a Consumer Protection Compliance Program to provide better protection of the interest of the consumers. This will assist the bank in achieving the following objectives towards customer’s protection.

- Promote fair and equitable financial services practices by setting standards in dealing with customers.
- Increase transparency to inform and empower consumers of financial services.
- Provide efficient and effective mechanisms for handling consumer complaints relating to the provision of financial products and services.

Transparency and Disclosure

Recognizing the contribution as well as the rights of customers, the Bank promotes disclosure and transparency in its policy by providing customers with sufficient information to understand the products and services offered. This information will enable customers to make informed financial decisions by providing them easy access to information such as terms and condition of the products/services being availed of benefits and their associated risks.

CARD BANK DATA PRIVACY STATEMENT

Maintaining client privacy is an important part of the services the Bank has provided. The Bank’s Data Privacy Statement explains how we collect, protect, use, and share information when our clients access our websites and/or apply for and avail of our products and services. Moreover, it outlines the general practices of the Bank in relation to the process- es and contents which are made available through our network of websites, our online and mobile applications, and social media pages (collectively referred to as “websites”). It also covers the privacy practices for our clients who have to apply for and obtain products and services from us, such as, but not limited to, deposits, loans, microinsurance, and other products and services that the Bank may offer from time to time.

GENERAL STATEMENT

CARD Bank, Inc. (“CARD Bank”), including its affiliates and subsidiaries and all members of the CARD Mutually Reinforcing Institutions (“CARD MRI”), values the confidentiality of personal data and is committed to maintain the privacy of its customers. This Data Privacy Statement (“Statement”), details how CARD Bank uses and protects personal data for the purpose of obtaining the consent of data subject in accordance with the Republic Act No. 10173, otherwise known as the Data Privacy Act of 2012, and its Implementing Rules and Regulations (“DPA”). This Statement also covers the privacy practices for our customers who apply for and obtain products and services from us, such as, but not limited to, deposits, loans, investments, insurance, remittances, and other such products and services that CARD Bank may offer from time to time.

OUR PRIVACY PRACTICES

The privacy practices described in this Statement are primarily intended for individuals in the Philippines and are designed to comply with the provisions of the DPA. When accessing our websites, digital and electronic banking, communication channels, official social media and/or availing of our services through our branches, you acknowledge and agree that your information may be collected, processed, and transferred within the Philippines following legal and regulatory standards for data protection that may differ from your current or home jurisdictions.

WHAT DATA DO WE COLLECT FROM YOU

To provide the client with CARD Bank's banking/financial products and services and/or to implement client-requested transactions, CARD Bank shall collect personal information from the client which may include, but are not limited to:

- Name, Age, Date/Place of Birth, Gender, Civil Status, Nationality;
- Address and Contact Details (Home/Business)
- Educational Background;
- Employment History;
- Financial Information (such as income, expenses, balances, investments, tax, insurance, financial and transaction history, etc.);
- Specimen Signature;
- Permits, Licenses & Registrations;
- Status of Pending Civil/Criminal Cases (if any);
- Telephone conversation recordings through our Customer Service Representative;
- CCTV footage for security purposes;
- Religion;
- Health/Disability;
- Regulatory Numbers (HDMF/SSS/TIN);
- Housewife/Husband Information (Name/Occupation);
- Valid ID & Photos;
- Mother's Maiden Name
- Mugshots or Identification photos (contains full name, customer information file (CIF), birthdate, mobile number, source of fund, educational attainment and signature)
- Device and location (IP address, device type, geolocation)
- Biometrics (fingerprint, facial recognition data)

HOW WE USE YOUR INFORMATION

CARD Bank uses your personal information to provide the services and products that you have availed or intend to avail from CARD Bank, including and together with following purposes:

- Opening, maintaining, and/or terminations of accounts;
- Ease of contacting/communicating with clients;
- Evaluate, approve, provide, or manage applications, financial products and services, and other transactions that the client has requested;
- Comply with know-your-customer (KYC) information requirements as specified under the Manual of Regulations for Banks and other applicable regulations;
- Conduct of credit and background information checks and verification;
- Evaluate client's eligibility for CARD Bank's products and services, such as loan inventory and loan validation;
- Perform risk profile and risk assessment;
- Perform Loan Utilization Check (LUC);
- Provide extensive and quality support to the client;
- For internal purposes, such as administrative, operational, audit, credit and risk management;
- Provide location-based services such as finding the ATM or branch nearest to you;
- Offering and processing of insurance products for the CARD Mutual Benefits Association;
- Comply with legal and regulatory requirements such as submission of data to credit bureaus, credit information companies, the Credit Information Corporation (CIC), CISA, responding to court orders and other instructions and requests from any local or foreign authorities including regulatory, governmental, tax and law enforcement authorities or other similar authorities;
- Perform other such activities permitted by law or with your consent.

WHEN DO WE COLLECT YOUR PERSONAL INFORMATION

CARD Bank collects personal information through, but not limited to, any of the following:

- Face-to-face and/or telephone conversation with CARD Bank Customer Service Representative;
- Accomplishment and/or signing of forms/documents (e.g. loan proposal, New Accounts Form, Insurance Products, Employment application and contracts and Client Information Form);
- Registration through electronic banking channels and services (e.g. Mobile Banking Application-Konek2CARD, HCIS); and
- Conducting Background and credit investigation and Loan Utilization Check
- Inquiries to the Credit Bureau such as CIC, NFIS and MIDAS.

RECIPIENTS OF INFORMATION

We may share your personal information with our subsidiaries, affiliates and third parties, including members of CARD MRI, for the purposes above and with an obligation of confidentiality. Your personal information may similarly be disclosed to government agencies, supervisory bodies, tax authorities, or courts of competent jurisdictions for purposes of complying with banking regulations, which CARD Bank may be subject to such as Republic Act No. 9160 otherwise known as the Anti-Money Laundering Act of 2001 or Republic Act No. 9510 otherwise known as the Credit Information System Act ("CISA"), among others.

If necessary, for the efficient delivery of CARD Bank's products and services, we may also outsource processing of your personal information to third-party service providers or CARD MRI, consistent with the terms of this Statement and the provisions of the DPA.

HOW WE SAFEGUARD YOUR PERSONAL INFORMATION

In accordance with the provisions of the DPA, Republic Act No. 1405 otherwise known as the Bank Secrecy Law, Republic Act No. 8791 otherwise known as the General Banking Law of 2000, Republic Act No. 6426 otherwise known as The Foreign Currency Deposit Act, BSP Circular No. 808, Series of 2013 otherwise known as the Guidelines on Information Technology Risk Management for All Banks and other Supervised Institutions, and BSP Circular No. 982, Series of 2017 otherwise known as the Enhanced Guidelines on Information Security Management, CARD Bank, its employees, agents and representatives, shall handle personal information with utmost care and adhere to the implemented organizational, physical, and technical security measures to maintain the confidentiality, integrity, security, and availability of all personal information under its custody.

HOW LONG DO WE KEEP YOUR INFORMATION

Documents containing your personal information will be retained in the records and systems of CARD Bank for a period no longer than five years from the date of the termination of your account or of the specific transaction with CARD Bank unless CARD Bank is required by law to retain the information for a longer period.

YOUR RIGHTS AS DATA SUBJECT

CARD Bank respects your rights to:

1. Be informed;
2. Object to the processing of your personal data;
3. Have reasonable access to your personal data under the custody of CARD Bank;
4. Require immediate correction of inaccurate or erroneous personal data under the custody of CARD Bank;
5. Suspend, withdraw, or order the blocking, removal, or destruction of your personal data from CARD Bank's records and/or system; and
6. Be indemnified in case of violation of your rights as data subject.

You may reach us for any questions, concerns or requests you may have on your personal data and exercising the above rights.

HOW TO CONTACT US

Should you need to get in touch with us for any data privacy concerns or requests or should you have any questions or clarifications regarding the Statement, CARD Bank has adopted a Customer Assistance Management System (CAMS). This is an organized system where customer feedback, inquiries and complaints are carefully handled and processed. Through this channel, a Customer Service Officer, who serves as the representative of the Data Protection Officer shall initially assist you and raise such concerns to the Compliance Unit of CARD Bank.

You may also visit the Customer Service Desk at any of CARD Bank's branches or call the Customer Service Hotlines at the following numbers: cardbankcsr@cardmri.com:

Tel No.: (049)-503-4156

SMART: 0909-233-6852

GLOBE: 0917-707-9819

You may also e-mail us at cardbankcsr@cardmri.com or visit our website www.cardbankph.com.

Alternatively, for any pressing concerns, you may reach our data protection officer at the following contact information:

Email: dpo@cardmri.com

Telephone Number: (049) 562-4309

Address: 20 ML Quezon St., City Subdivision, San Pablo City Laguna

CHANGES TO OUR PRIVACY STATEMENT

We may amend or modify the terms of this Statement from time to time to ensure relevance to the relevant laws and regulations applicable to CARD Bank. Any relevant modification will be posted on our website and distributed to all CARD Bank branches and Branch Lite Units (BLUs).

CONSUMER PROTECTION PRACTICES

In view of the Bangko Sentral ng Pilipinas (BSP) mandates for Financial Consumer Protection, the Bank has adopted a Consumer Protection Compliance Program to provide better protection of the interest of the consumers. This will assist the bank in achieving the following objectives towards customer's protection.

- Promote fair and equitable financial services practices by setting standards in dealing with customers.
- Increase transparency to inform and empower consumers of financial services.
- Provide efficient and effective mechanisms for handling consumer complaints relating to the provision of financial products and services.

Consumer Protection Risk Management System

To ensure that consumer protection risks inherent in the bank's operations are identified, measured, monitored, and controlled, the bank adopted a risk management system that is adherence to consumer protection standards and compliance with consumer protection laws, rules and regulations.

The Board of Directors have the ultimate duties and responsibilities to ensure full compliance with the consumer protection policies and procedures. The board is responsible for the development and maintenance of a sound Customer Protection and Risk Management System for all products and services life cycle. The Board and Senior Management ensure that the effectiveness of this system is periodically reviewed including reporting of findings and audit mechanism in place. The Compliance Unit office thru its day-to-day monitoring activities ensure that each office has complied with the standards provided in this consumer protection program. Simultaneous with operations and financial audit, the Internal Audit unit likewise ensures that bank's consumer protection practices have been implemented and reviewed.

Bank personnel and customers' continuing education is vital towards maintaining a sound consumer protection compliance program. As such, the bank sees to it that all bank employees and customers shall be given appropriate training on consumer protection.

a. Disclosure and Transparency

Recognizing the contribution as well as the rights of customers, the Bank in its policy promotes disclosure and transparency by providing customers with sufficient information to understand the products and services being offered. This information will enable customers to make informed financial decisions by providing them easy access to information such as terms and condition of the products/services being availed of benefits and their associated risks. This shall be applicable even to products and services offered electronically as well as to products catering to different market segments with consideration for segments that may have limited financial literacy.

1. The Bank disclosed key information related to products and services being offered.
2. The bank recognizes the contribution of advertisements and promotional materials as a way in communicating its products and services including its benefits.
3. Members of the board, management, officers, and employees are committed to adhering to ethical business conduct and shall not enter business transactions where conflict of interest may arise. As such, the bank ensures that the following are consistently complied with for the protection of the bank and its customer.
 - a. Full disclosure to the customer prior to any transaction that the bank or its staff has an interest in a direct/cross transaction with consumer.
 - b. Should products be marketed be issued by a related company, the bank informs the customer of the limited availability of the products being marketed.
 - c. Basis of the remuneration (e.g. commission, incentives, etc.) of the bank at pre-contractual stage is disclosed.
 - d. Regular monitoring to promptly identify issues and matters that may be detrimental to the customer is conducted.

b. Protection of customer Information

It is always the bank's primary responsibility to ensure the protection of client information. As such, the bank ensures that policies and procedures to protect customer information and records are in place. This covers protection against any threat to security or integrity of customer's records and information and unauthorized access or use. Among the established policies and guidelines covers the following:

- Confidentiality and security of client information
- Sharing of Customer Information

c. Fair Treatment

The bank ensures that the customer is treated fairly, with honesty and professionally. Fair treatment of the client shall also cover the dealing of the bank employee in marketing and delivering products and services.

d. Unauthorized Transactions

The Bank has designated a service helpdesk accountable to the processing of client's inquiries and concerns to ensure that it is properly attended, timely responded, and resolved, which is accessible to the customers. The Bank has mechanisms in place for complaint handling and redress and has employed.

e. Effective Recourse

Concerns or disputes about fund transfers or alleged unauthorized transactions shall be filed by the clients with the Originating Financial Institution (OFI). The OFI is primarily responsible for providing assistance and redress to the clients. Upon receipt of fund transfer disputes or alleged unauthorized transactions, the OFI shall immediately inform and provide relevant details to the Receiving Financial Institution (RFI).

f. Financial Education and Awareness

Bank recognizes that client education and awareness are powerful strategies to ensure client protection. As such, bank adopted the following measures:

- Financial education and training program/module shall be designed and given to clients. This shall be part of the credit with education and center's agenda during meeting.
- Financial education tools/information materials shall be developed and disseminated to customers.
- Regular monitoring and assessment on campaign materials for possible improvement.

Design and Delivery of Financial Products and Services

The Bank ensure that product and services are adequately aligned with the client needs, goals, and they understand the financial products and aligned with their financial capabilities. The bank gathers consumer insights and/or analytics on consumer behavior, characteristic and constraints to properly identify a target market, design and deliver financial products accordingly, with the attention to the needs of vulnerable segments.

The Bank shall implement the following measures in the design and delivery of financial products and services:

- Affordability and suitability assessment
- Product Bundling
- Cooling-Off Period
- Prepayment of loans and other credit accommodations

Consumer Assistance Management System (CAMS)

To ensure that clients have an accessible way of reaching the management for their queries, clarifications and complaints on the bank's products and services, the bank has implemented the consumer assistance management system. The consumer assistance management system was posted within the bank's premises and website (www.cardbankph.com) to achieve a good communication system.

- Established a consumer service unit that is responsible in dealing with consumer concerns independently. Personnel handling customer service is equipped with the necessary knowledge and skills in the implementation of the customer assistance program of the bank.
 - Several channels have been set up by the bank to ensure that customers are given option to lodge their concern as follows;
 - a. Customer Service Officer (CSO) in the branch for walk-in clients;
 - b. Customer Service Desk (Available Monday-Sundays, Holidays, 24/7)
- Customer Service hotline numbers accepting calls:
- | | |
|-----------------|-----------------|
| +63909-233-6852 | (Talk and Text) |
| +63998-530-8689 | (Smart) |
| +63943-705-2510 | (Sun) |
| +63917-707-9819 | (Globe) |

Customer Service hotline numbers for Text and Viber messages:

+63961-021-4271 (Smart)

Bank's CSR email address: cardbankcsr@cardmri.com

Facebook Messenger (Chat messages): CSR CARD Bank

Official website www.cardbankph.com

Installation of suggestion box and incidents complaint logbooks to all branches and branch-lite unit offices

DIVIDEND POLICY

The Bank's dividend policy is an integral component of its capital management policy rather than a stand-alone process. Its fundamental and overriding policy is sustainability.

Dividends are declared and paid out of unrestricted retained earnings of the Bank at such intervals as the Board of Directors may determine and in accordance with the provisions of the law and the regulations of the BSP and the Securities and Exchange Commission (SEC).

The payment of dividends in the future will depend on the Bank's earnings, cash flow, financial condition, regulatory requirements for capital and other factors. Circumstances which could restrict the payment of cash dividends include, but are not limited to, when the Bank undertakes major projects and developments requiring substantial cash expenditures. The Board of Directors may, at any time, modify the Bank's dividend payout ratio depending on the results of operations and future projects and plans of the Bank. The Bank also considers the Bank's internally set limits on Capital Adequacy Ratio Liquidity Ratio before and after dividends declaration.

RIGHT TO DIVIDENDS

1. Stockholders have the right to declare dividends subject to the discretion of the Board.
2. The Bank shall be compelled to declare dividends when its retained earnings is in excess of 100% of its paid-up capital, except:
 - a. When justified by definite corporate expansion projects or program approved by the Board; or
 - b. When the Bank is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such has not been secured; or
 - c. When it can be clearly shown that such retention is necessary under circumstances obtaining in the Bank, such as when there is a need for a special reserve for probable contingencies.
 - d. When the Bank's Capital Adequacy Ratio falls below the set internal limit of 15%

- e. When the Bank's Liquidity Ratio is at 20% and below.
3. The Bank is compliant to BSP issued regulations on dividend declaration.
4. Dividend declaration may be in the form of stock or in cash or both stock and cash.

Requirements on the declaration of dividends

At the time of dividends declaration, the bank ensures that it is compliance with the requirements on the declaration of dividends under Section 124 of the Manual of Regulation for Bank of the BSP, as follows:

1. Clearing account with the BSP is not overdrawn;
2. Liquidity floor requirement for government funds;
3. Minimum capitalization requirement and risk-based capital ratios as provided under applicable and existing capital adequacy framework; and
4. Has not committed any unsafe or unsound banking as defined under existing regulations and/or major acts or omissions¹ as may be determined by the BSP to be ground for suspension of dividend distribution, unless this has been addressed by the bank as confirmed by the Monetary Board or the Deputy Governor of the appropriate sector, as may be applicable, upon recommendation of the appropriate supervising department of the BSP.

Specific Guidelines

1. The net amount available for dividends shall be the amount of unrestricted or free retained earnings and undivided profits reported in the Financial Reporting Package (FRP) as of the calendar/fiscal year-end immediately preceding the date of dividend declaration. The amount of dividends from the unrestricted/free retained earnings shall be based on a sound accounting system and loss provisioning processes under existing regulations which takes into account relevant capital adjustments including losses, bad debts and unearned profits or income
2. The proposed rate of dividend per share for common stock shall be determined by considering the average CAR after declaring the dividend, which must not be lower than the previous year. The proposed rate of dividends per share for preferred stock shall be at least 8% per year.
3. The proposed rate of dividends per share for preferred stock shall be at least 8% per year.
4. Included in the bank's cash flows.
5. The following ratio must be maintained at its acceptable level:
 - Return on Assets
 - Return on Equity
 - Net Interest Margin
 - Cost to Income
 - Operational Self Sufficiency
 - Liquidity Ratio
 - MLR

Recording of dividends

The liability for dividends declared shall be taken up in the bank's books upon its declaration. For full disclosure purposes, the dividends declared shall be disclosed in the financial statements either as a footnote in the statement of changes in equity or in the notes to the financial statements.

Issuance of fractional shares

Whenever the declaration of stock dividend results in the issuance of fractional shares, banks may observe the following guidelines:

1. The amount corresponding to the fraction should be given in the form of cash dividend; and
2. The certificate of stock issued should be in whole numbers. In no case shall the certificate of stock be issued including such fractional share.



SEASONED WITH

Success is not measured by how many times you fall but by how many times you rise. This belief defines the journey of Emelita Wee Nieves, a woman who refused to let setbacks define her and instead turned them into stepping stones—transforming a small dried fish venture into a thriving smoked fish enterprise.

Growing up in Mercedes, Camarines Norte, Emelita understood the value of hard work. Her hometown, known for its abundant marine resources, was a place where many families relied on fishing for their livelihood. It was no surprise that when she decided to start her own business in 2006, she chose to sell dried fish—a staple in coastal communities. Armed with determination, she spent long hours under the sun, carefully preparing and drying the fish, ensuring that each batch met the standards of local buyers.

But despite her efforts, the business struggled. The competition was tough, and with limited resources, she found it difficult to scale up. Her earnings were barely enough to cover her family's daily needs, let alone reinvest in her venture. For nearly a decade, she pushed forward, hoping for better days. But by 2015, she faced the heartbreaking reality that she could no longer sustain the business. She had to stop.

For many, this might have been the end of the road. But for Emelita, it was merely a pause.

Determined to rise again, she and her husband explored other opportunities. In 2017, they took a leap of faith and ventured into the smoked fish industry. It was unfamiliar territory, but they saw potential. Unlike dried fish, which was highly competitive, smoked fish offered a unique flavor and appeal. They spent months refining their smoking process—experimenting with different techniques, selecting the best wood chips for flavor, and ensuring that their products met the highest quality standards. Slowly, they began selling in nearby towns, and to their delight, customers loved their products.

However, like many small business owners, access to capital became a major hurdle. They needed better equipment, storage facilities, and transportation to expand their market. But finding financial support was difficult. That's when Emelita turned to CARD Bank. She started with a PHP 5,000 loan, just enough to help with operational

DETERMINATION

costs. With discipline and careful planning, she made the most of it, ensuring that every peso was reinvested wisely. As her business grew, she gradually increased her credit line, eventually securing PHP 500,000—a game-changer that allowed her to acquire better tools, improve production efficiency, and purchase three trucks and a jeep for faster distribution.

With these improvements, her business thrived. Soon, her smoked fish became a household favorite, not just in Camarines Norte but in neighboring provinces like Camarines Sur, Sorsogon, Albay, and Catanduanes. The rise of online selling further expanded her reach, allowing her to cater to customers beyond the Bicol Region. Orders poured in, and her once-small operation grew into a full-fledged enterprise.

But for Emelita, success was not just about profit—it was about creating opportunities for others. As her business flourished, she made sure to uplift those around her. She hired 43 workers, many of whom were women striving to support their families. More than just giving them jobs, she provided fair wages, free meals, and financial assistance when they needed it most. She believed that a thriving business should also be a source of hope and stability for its people.

Her dedication and perseverance did not go unnoticed. On December 11, 2024, she was honored as the Gawad Maunlad Micro National Winner at the Pagkilala sa Mga Likha ni Inay Awards, organized by CARD Mutually Reinforcing Institutions (CARD MRI). The award recognized entrepreneurs who not only achieved financial success but also made meaningful contributions to their communities. For Emelita, it was more than just a trophy—it was a validation of the years of struggle, sacrifice, and relentless pursuit of her dreams.

Looking back, she remembers the difficult days—the uncertainty, the exhaustion, the moments when she questioned if she was doing the right thing. But each time she faced a challenge, she chose to keep going.

Today, as she watches her business grow and sees the families she has helped along the way, she knows one thing for sure: success is not just about making a living—it's about making a difference. And for Emelita, that is the greatest achievement of all.



ROOTED IN CORE VALUES, FUELED BY PASSION & MISSION



"I will continue to champion a world where no one is left behind—where every family has a fair chance to build a better life. I founded CARD with a simple dream: to break the chains of poverty by giving the poor the tools to rise. I remain committed to nurturing institutions that uphold dignity, create opportunities, and empower generations. My work does not end with the structures we have built, but with every life we help change. As long as there are communities in need, my mission continues."

Dr. Jaime Aristotle B. Alip
CARD MRI Founder and Chair Emeritus



"I will strengthen CARD Bank's commitment to inclusive banking, ensuring that every community, regardless of size or location, has access to essential financial services that empower them to thrive."

Dr. Dolores M. Torres
Senior Adviser



"I will remain committed to empowering communities by providing financial services that meet the needs of all, grounded in the principles of CARD Bank's mission."

Dr. Lorenza dT. Bañez
Senior Adviser



"I will lead CARD Bank with a renewed focus on our founding mission—empowering communities through accessible financial services, ethical practices, and unwavering dedication to client welfare. By strengthening financial inclusion—including Islamic banking—I will give families the opportunity to secure a better future."

Ms. Marivic M. Austria
President and CEO



"I will uphold financial integrity by staying true to the fundamentals of responsible stewardship, ensuring transparency, accuracy, and sustainability in all our financial practices. More than stability, I will ensure that CARD Bank grows with purpose—helping families achieve financial security and economic freedom."

Ms. May S. Dawat
Executive Vice President for Finance and Accounting



"I will strengthen operational excellence by returning to the core principles of efficiency, client-centered service, and continuous improvement. I will ensure that CARD Bank's services truly reach the people who need them most, bringing financial opportunities closer to underserved communities."

Ms. Glenda Magpantay
Vice President for Operations



"I will integrate sustainability into our operations, ensuring that our efforts benefit not just today's clients but also future generations."

Ms. Clarita G. Mercado

Senior Vice President for Operations



"I will drive digital innovation that simplifies banking and reduces our environmental impact. Sustainable banking means leveraging technology to maximize efficiency while minimizing waste."

Mr. Ronnie D. Fallega

Vice President for Operations



"I will continue to uphold the core principles of integrity and accountability by ensuring strict adherence to regulatory standards and ethical practices. By strengthening policies and compliance, I will safeguard not only our clients' trust but also their financial future."

Mr. Jeffrey M. Rondina

Executive Vice President for Compliance



"I will reinforce CARD Bank's foundation of transparency by promoting thorough, fair, and unbiased audits that strengthen operational integrity."

Ms. Laarne D. Paje

Executive Vice President for Audit



"I will nurture a people-centered culture by strengthening employee development, promoting well-being, and fostering the values that define CARD Bank. By ensuring decent work, I will empower our people to be agents of change in the communities they serve."

Ms. Rosafe Matunan

Vice President for Human Resources



"I will safeguard CARD Bank's stability by returning to the fundamentals of proactive risk management, ensuring sound decision-making, and protecting the trust of our stakeholders."

Mr. Anver D. Regalado

Assistant Vice President for Risk



"I will preserve CARD Bank's financial integrity by staying true to the basics of accuracy, transparency, and responsible resource management. I will strengthen financial literacy among employees and clients, empowering them to make informed decisions that create lasting change for themselves and their communities."

Ms. Rowena F. Galarde
Vice President for Accounting and Financet



"I will work to make banking services more inclusive and responsive. Everyone deserves access to financial tools that will help them grow and succeed."

Ms. Rizaline A. Manalo
Assistant Vice President for Operations



"I will bring a renewed focus to operational excellence, ensuring that CARD Bank's services are efficient and accessible to more communities."

Ms. Marissa Carandang
Assistant Vice President for Operations



"I will lead with a client-first mindset, ensuring that every operational step we take is driven by our clients' needs and aspirations."

Ms. Jenet R. Constantino
Assistant Vice President for Operations



"I will work to make banking more inclusive and efficient, ensuring our services reach all communities, big or small."

Ms. Geralyn C. Macasinag
Assistant Vice President for Operations



"I will foster a culture of continuous improvement within our operations, ensuring every step we take leads to better services for our clients."

Ms. Medy M. Valenzuela
Assistant Vice President for Operations



"I will ensure that our operations prioritize the needs of microentrepreneurs because when small businesses thrive, entire communities will prosper."

Ms. Baby Analyn A. Malaborbor
Assistant Vice President for Operations



"I will strengthen CARD Bank's connection with the communities we serve, ensuring that our banking services genuinely support their goals and aspirations."

Ms. Raquel B. Zaragosa
Assistant Vice President for Operations



Audited Financial Statements

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
CARD Bank, Inc. (A Microfinance-Oriented Rural Bank)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CARD Bank, Inc. (A Microfinance-Oriented Rural Bank) (the Bank), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

Report on the Supplementary Information Required Under Section 174 of the Manual of Regulations for Banks (MORB) and Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Section 174 of the MORB in Note 25 and Revenue Regulations 15-2010 in Note 26 to the financial statements are presented for purposes of filing with the Bangko Sentral ng Pilipinas and Bureau of Internal Revenue, respectively, and are not a required part of the basic financial statements. Such information is the responsibility of the management of CARD Bank, Inc. (A Microfinance-Oriented Rural Bank). 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.

SYCIP GORRES VELAYO & CO.

Bryan Chrisnel M. Baes

Bryan Chrisnel M. Baes

Partner

CPA Certificate No. 128627

Tax Identification No. 275-229-188

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-148-2023, November 7, 2023, valid until November 6, 2025

PTR No. 10079899, January 5, 2024, Makati City

April 29, 2025

CARD BANK, INC.
(A MICROFINANCE-ORIENTED RURAL BANK)
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2024	2023
ASSETS		
Cash and other cash items (Note 6)	₱272,477,972	₱238,493,157
Due from Bangko Sentral ng Pilipinas (Notes 6 and 13)	228,663,533	170,614,095
Due from other banks (Note 6)	4,981,730,393	2,066,396,088
Financial assets at fair value through other comprehensive income (FVOCI) (Note 7)	2,164,354,288	2,011,037,966
Financial assets at amortized cost (Note 8)	2,940,852,057	2,891,303,867
Loans and receivables, net (Note 9)	16,865,120,460	15,674,590,177
Investments in associates (Note 10)	936,064,790	750,686,675
Property and equipment, net (Note 11)	948,719,439	821,122,814
Retirement asset (Note 19)	98,765,376	162,048,192
Deferred tax assets (Note 21)	148,393,628	99,599,485
Other assets (Note 12)	331,281,029	161,087,396
	₱29,916,422,965	₱25,046,979,912

LIABILITIES AND EQUITY

Liabilities

Deposit liabilities (Notes 13 and 22)		
Demand	₱617,185,484	₱310,098,598
Savings	17,437,779,012	15,389,546,374
	18,054,964,496	15,699,644,972
Bills payable (Note 14)	109,760,528	49,833,749
Income tax payable (Note 21)	628,440,077	351,889,390
Other liabilities (Note 15)	1,140,531,037	807,468,220
	19,933,696,138	16,908,836,331

Equity

Capital stock (Note 17)		
Preferred stock	1,380,014,600	1,372,014,600
Common stock	2,993,443,100	2,991,573,300
	4,373,457,700	4,363,587,900
Surplus	5,647,336,045	3,765,568,318
Remeasurement gains on retirement liabilities	(26,046,447)	23,804,637
Share in other comprehensive income of an associate (Note 10)	(9,912,108)	(1,723,365)
Net unrealized losses on financial assets at FVOCI (Note 7)	(2,108,363)	(13,093,909)
	9,982,726,827	8,138,143,581
	₱29,916,422,965	₱25,046,979,912

See accompanying Notes to Financial Statements.

CARD BANK, INC.
(A MICROFINANCE-ORIENTED RURAL BANK)
STATEMENTS OF INCOME

	Years Ended December 31	
	2024	2023
INTEREST INCOME ON		
Loans and receivables (Note 9)	₱8,379,792,235	₱6,933,053,995
Due from other banks (Note 6)	178,644,523	147,571,930
Investment securities (Notes 7 and 8)	284,473,599	265,819,666
	8,842,910,357	7,346,445,591
INTEREST EXPENSE ON		
Deposit liabilities (Notes 13 and 22)	383,033,136	282,086,797
Bills payable (Note 14)	998,890	2,794,218
Lease liabilities (Note 20)	14,558,888	11,992,157
	398,590,914	296,873,172
NET INTEREST INCOME	8,444,319,443	7,049,572,419
Miscellaneous (Note 18)	253,829,886	232,337,921
TOTAL OPERATING INCOME	8,698,149,329	7,281,910,340
OPERATING EXPENSES		
Compensation and benefits (Notes 19 and 22)	2,152,140,471	1,925,055,435
Taxes and licenses	637,428,226	597,842,746
Transportation and travel	368,513,212	348,646,882
Provision for expected credit losses (Note 9)	349,051,195	24,338,613
Information and technology	339,894,153	296,952,323
Depreciation and amortization (Notes 11 and 12)	234,317,091	212,612,740
Stationery and office supplies	199,055,991	228,105,291
Postage, telephone, and cable	123,799,999	114,986,151
Members training and development	78,935,280	43,890,922
Employee trainings (Note 22)	78,446,202	80,930,158
Rent (Notes 20 and 22)	75,875,708	78,005,473
Security, messengerial and janitorial	71,604,104	68,691,122
Power, light, and water	51,748,142	51,574,729
Insurance	44,703,119	41,741,087
Repairs and maintenance	40,283,914	42,913,052
Donations and charitable contributions	20,000,000	30,000,000
Seminars and meetings (Note 22)	18,951,884	21,588,643
Management and other professional fees	15,921,871	17,039,368
Directors' fee	3,243,333	3,941,667
Miscellaneous (Note 18)	98,036,099	71,568,533
	5,001,949,994	4,300,424,935
INCOME BEFORE SHARE IN NET INCOME OF AN ASSOCIATES	3,696,199,335	2,981,485,405
SHARE IN NET INCOME OF ASSOCIATES (Note 10)	279,066,838	213,455,228
INCOME BEFORE TAX	3,975,266,173	3,194,940,633
PROVISION FOR INCOME TAX (Note 21)	908,329,151	738,396,209
NET INCOME	₱3,066,937,022	₱2,456,544,424

See accompanying Notes to Financial Statements.

CARD BANK, INC.
(A MICROFINANCE-ORIENTED RURAL BANK)
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2024	2023
NET INCOME	₱3,066,937,022	₱2,456,544,424
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Items that may not be reclassified to profit or loss:</i>		
Remeasurement gain (loss) on retirement liabilities (Note 19)	(66,468,112)	(60,271,747)
Financial assets through other comprehensive income (Note 7)	10,303,853	(2,594,561)
Income tax effects (Note 21)	14,041,065	15,716,577
	(42,123,194)	(47,149,731)
<i>Items that may be reclassified to profit or loss:</i>		
Changes in net unrealized gains (losses) on:		
Financial assets through other comprehensive income (Note 7)	4,343,542	35,816,479
Income tax effects (Note 21)	(1,085,886)	(8,954,119)
	3,257,656	26,862,360
Share in other comprehensive income (loss) of associates (Note 10)	(8,188,743)	(5,541,501)
	(47,054,281)	(25,828,872)
TOTAL COMPREHENSIVE INCOME	₱3,019,882,741	₱2,430,715,552

See accompanying Notes to Financial Statements.

CARD BANK, INC.
(A MICROFINANCE-ORIENTED RURAL BANK)
STATEMENTS OF CHANGES IN EQUITY

	Preferred Stock (Note 17)	Common Stock (Note 17)	Surplus	Surplus Reserve (Note 9)	Remeasurement Gains on Retirement Liabilities (Note 19)	Share in Other Comprehensive Income (Loss) of an Associate (Note 10)	Net Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income (Note 7)	Total
Balance at January 1, 2024	₱1,372,014,600	₱2,991,573,300	₱3,765,568,318	₱–	₱23,804,637	(₱1,723,365)	(₱13,093,909)	₱8,138,143,581
Total comprehensive income	–	–	3,066,937,022	–	(49,851,084)	(8,188,743)	10,985,546	3,019,882,741
Issuance of stocks (Note 17)	8,000,000	1,869,800	–	–	–	–	–	9,869,800
Release of appropriation	–	–	–	–	–	–	–	–
Stock dividends (Note 17)	–	–	–	–	–	–	–	–
Cash dividends (Note 17)	–	–	(1,185,169,295)	–	–	–	–	(1,185,169,295)
Balance at December 31, 2024	₱1,380,014,600	₱2,993,443,100	₱5,647,336,045	₱–	(₱26,046,447)	(₱9,912,108)	(₱2,108,363)	9,982,726,827
Balance at January 1, 2023	₱1,361,010,600	₱2,700,738,000	₱2,462,898,942	₱–	₱69,008,447	₱3,818,135	(₱38,010,347)	₱6,559,463,777
Total comprehensive income	–	–	2,456,544,424	–	(45,203,810)	(5,541,500)	24,916,438	2,430,715,552
Issuance of stocks	11,004,000	43,798,800	–	–	–	–	–	54,802,800
Release of appropriation	–	–	–	–	–	–	–	–
Stock dividends (Note 17)	–	247,036,500	(247,036,500)	–	–	–	–	–
Cash dividends (Note 17)	–	–	(906,838,548)	–	–	–	–	(906,838,548)
Balance at December 31, 2023	₱1,372,014,600	₱2,991,573,300	₱3,765,568,318	₱–	₱23,804,637	(₱1,723,365)	(₱13,093,909)	₱8,138,143,581

See accompanying Notes to Financial Statements.

CARD BANK, INC.
(A MICROFINANCE-ORIENTED RURAL BANK)

STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱3,975,266,173	₱3,194,940,633
Adjustments for:		
Provision for expected credit losses (Note 9)	349,051,195	24,338,613
Share in net income of an associate (Note 10)	(279,066,838)	(213,455,228)
Depreciation and amortization (Notes 11 and 12)	234,317,091	212,612,740
Amortization of net discount on financial assets at FVOCI (Note 7)	(51,242,457)	(30,838,365)
Retirement expense (Note 19)	37,048,091	23,563,013
Amortization of net discount on financial assets at amortized cost (Note 8)	(10,213,310)	(10,512,760)
Amortization of discount on bills payable (Note 14)	166,251	618,578
Operating income before changes in operating assets and liabilities	4,255,326,196	3,201,267,224
Increase in the amounts of:		
Loans and receivables	(1,539,581,478)	(2,421,118,820)
Other assets	(170,283,663)	(21,959,079)
Increase in the amounts of:		
Deposit liabilities	2,355,319,524	808,654,525
Other liabilities	86,224,847	92,411,501
Net cash generated from operations	4,987,005,426	1,659,255,351
Income taxes paid	(667,617,428)	(518,687,666)
Contribution to retirement fund (Note 19)	(40,233,387)	(31,712,617)
Net cash provided by operating activities	4,279,154,611	1,108,855,068
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Financial assets at FVOCI (Note 7)	(2,113,651,234)	(1,283,334,891)
Property and equipment (Note 11)	(207,412,617)	(214,267,850)
Financial assets at amortized cost (Note 8)	(100,000,000)	(831,057,915)
Proceeds from:		
Redemption of FVOCI investments (Note 7)	2,026,224,760	1,200,595,000
Dividends from an associate (Note 10)	85,499,980	136,799,968
Maturity of financial assets at amortized cost (Note 8)	60,665,121	193,884,384
Disposal of property and equipment (Note 11)	30,326	76,223
Net cash used in investing activities	(248,643,664)	(797,305,081)

(Forward)

	Years Ended December 31	
	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid (Notes 17 and 23)	(₱1,201,608,722)	(₱911,578,100)
Collection of deposit for stock subscription (Note 15)	250,886,800	–
Payment of principal portion of lease liability (Notes 20 and 23)	(142,050,795)	(140,746,691)
Availments of bills payable (Note 14)	109,760,528	49,833,749
Settlements of bills payable (Note 14)	(50,000,000)	(200,000,000)
Proceeds from (Note 17):		
Issuance of preferred stock	8,000,000	11,004,000
Issuance of common stock	1,869,800	43,798,800
Net cash used in financing activities	(1,023,142,389)	(1,147,688,242)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,007,368,558	(836,138,255)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	238,493,157	226,680,834
Due from Bangko Sentral ng Pilipinas	170,614,095	311,026,910
Due from other banks	2,066,396,088	2,773,933,851
	2,475,503,340	3,311,641,595
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and other cash items	272,477,972	238,493,157
Due from Bangko Sentral ng Pilipinas	228,663,533	170,614,095
Due from other banks	4,981,730,393	2,066,396,088
	₱5,482,871,898	₱2,475,503,340
OPERATIONAL CASH FLOWS FROM INTEREST AND DIVIDENDS		
Interest received	₱8,914,442,975	₱7,265,147,290
Interest paid	348,098,711	276,507,808
Dividends received	85,499,980	–

See accompanying Notes to Financial Statements.

CARD BANK, INC.
(A MICROFINANCE-ORIENTED RURAL BANK)

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

CARD Bank, Inc. (A Microfinance-Oriented Rural Bank) (the Bank) was incorporated in the Philippines on July 1, 1997. The Bank was granted the authority to operate by the Bangko Sentral ng Pilipinas (BSP) on August 25, 1997 and formally opened for business on September 1, 1997.

It is currently engaged in extending microcredit and rural credit to small farmers and tenants and to deserving rural industries or enterprises. The Bank offers a wide range of products and services such as deposit products, loans, and treasury that serve mainly to the consumer market.

On April 16, 2011, the Bank's Board of Directors (BOD) and stockholders approved the amendment to the Articles of Incorporation, adding to the Bank's purpose the function to act as a micro-insurance agent for the presentation, marketing, sale, and servicing of micro-insurance products. This was subsequently approved by the BSP and the Insurance Commission on February 10, 2012 and January 17, 2012, respectively. The Philippine Securities and Exchange Commission (SEC) approved and issued the certificate of filing of amended Articles of Incorporation on June 29, 2012.

The Bank is a member of Center for Agriculture and Rural Development (CARD) - Mutually Reinforcing Institutions (MRI).

As of December 31, 2024 and 2023, the Bank is 31.09% owned by CARD, Inc.

The Bank's executive office is located at 20 M. L. Quezon Street, City Subdivision, San Pablo City, Laguna. The head office is located at No. 35 P. Burgos Street, corner M. Paulino Street, San Pablo City, Laguna. As of December 31, 2024, and 2023, the Bank has 101 branches and 100 branches respectively.

2. Material Accounting Policy Information

Basis of Presentation

The accompanying financial statements have been prepared on a historical cost basis except for financial assets at fair value through other comprehensive income (FVOCI) that have been measured at fair value. The financial statements are presented in Philippine peso (₱), which is the Bank's presentation currency. All values are rounded to the nearest peso, except when otherwise indicated.

The financial statements of the Bank include the accounts maintained in the Regular Banking Unit (RBU) and Foreign Currency Deposit Unit (FCDU). The functional currency of the RBU and the FCDU is the Philippine peso and United States dollar (USD), respectively. For financial reporting purposes, FCDU accounts and foreign currency-denominated accounts in the RBU are translated into their equivalents in Philippine peso (see accounting policy on Foreign Currency Transactions and Translation). The financial statements of these units are combined after eliminating inter-unit accounts and transactions.

Statement of Compliance

The financial statements of the Bank have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Presentation of Financial Statements

The statements of financial position of the Bank are presented in order of liquidity. An analysis regarding recovery of assets or settlement of liabilities within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 16.

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if and only if there is a currently enforceable legal right to set off the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Bank assesses that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Bank and all the counterparties.

The Bank has no offsetting arrangements with its counterparties.

Income and expenses are not offset in the statement of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Bank.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Bank has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Adoption of these amendments did not have an impact on the financial statements of the Bank.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
The amendments clarify:
 - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
 - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
 - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*
The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Material Accounting Policies

Foreign Currency Transactions and Translation

Transactions and balances

The books of accounts of the RBU are maintained in Philippine peso, the RBU's functional currency, while those of the FCDU are maintained in USD, the FCDU's functional currency. For financial reporting purposes, the foreign currency-denominated monetary assets, and monetary liabilities in the RBU are translated in Philippine peso based on the Bankers Association of the Philippines (BAP) closing rates prevailing at end of the year and foreign currency-denominated income and expenses based on the exchange rates at transaction dates. Foreign exchange differences arising from restatements of foreign currency-denominated assets and liabilities in the RBU are credited to or charged against the operations in the period which the rates change. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

FCDU

As at reporting date, the assets, and liabilities of the FCDU are translated into the Bank's presentation currency, the Philippine peso, using BAP closing exchange rates and its income and expenses are translated at BAP weighted average rate (WAR) for the year.

Exchange differences arising on translation are taken directly to the statement of comprehensive income under 'Translation adjustment'. Upon actual remittance of FCDU income to RBU, the related exchange differences arising from translation lodged under 'Miscellaneous income or expense' is reclassified to the statement of income in the RBU books.

Fair Value Measurement

For measurement and disclosure purposes, the Bank determines the fair value of an asset or liability at initial measurement or at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Bank.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

If the asset or liability measured at fair value has a bid and ask price, the price within the bid-ask spread that is most representative of fair value in the circumstances shall be used to measure fair value, regardless of where the input is categorized within the fair value hierarchy.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Bank determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Bank has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy (see Note 4).

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash and other cash items, due from BSP and other banks that are highly liquid, readily convertible to known amounts of cash with original maturities of three months or less from dates of placements and which are subject to insignificant risk of changes in value.

Due from BSP includes statutory reserves required by the Bank which the Bank considers as cash and cash equivalents as withdrawals can be made to meet the Bank's cash requirements as allowed by the BSP.

Financial Instruments - Initial Recognition and Subsequent Measurement

Date of recognition

Regular way purchases or sales of financial assets that require delivery of the assets within the time frame established by regulation or convention in the market are recognized on settlement date. Settlement date accounting refers to (a) the recognition of an asset on the day it is received by the Bank, and (b) the derecognition of an asset and recognition of any gain or loss on disposal on the day that such asset is delivered by the Bank. Deposits and receivables from borrowers are recognized when cash is received or advanced to the borrowers.

Initial recognition of financial instruments

All financial instruments are initially recognized at fair value. Except for financial instruments at fair value through profit or loss (FVTPL), the initial measurement of financial instruments includes transaction costs.

'Day 1' difference

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Bank recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the statement of income under 'Miscellaneous' unless it qualifies for recognition as some other type of asset or liability. In cases where the transaction price used is made of data which is not observable, the difference between the transaction price and model value is only recognized in the statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Bank determines the appropriate method of recognizing the 'Day 1' difference amount.

Classification and Measurement of Financial Assets

Classification and measurement

The classification and measurement of financial assets is driven by the entity's contractual cash flow characteristics of the financial assets and business model for managing the financial assets.

As part of its classification process, the Bank assesses the contractual terms of financial assets to identify whether they meet the 'solely payments of principal and interest' (SPPI) test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (e.g., if there are repayments of principal or amortization of the premium or discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at financial assets at FVTPL.

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- the expected frequency, value and timing of sales are also important aspects of the Bank's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Bank's measurement categories are described below:

Financial assets at amortized cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Bank's business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortized cost using the effective interest method less any impairment in value, with the interest calculated recognized as 'Interest income' in the statement of income. The Bank classified cash and other cash items, due from BSP, due from other banks, financial assets at amortized cost, loans and receivables, security deposits (included under "other assets") as financial assets at amortized cost.

Financial assets at FVTPL

Debt financial assets that do not meet the amortized cost criteria, or that meet the criteria but the Bank has chosen to designate as at FVTPL at initial recognition, are measured at fair value through profit or loss. Equity investments are classified as at FVTPL, unless the Bank designates an investment that is not held for trading as at financial asset at FVOCI at initial recognition.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Bank manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

As of December 31, 2024 and 2023, the Bank has not designated any debt instrument that meets the amortized cost criteria as FVTPL. The Bank does not have financial assets at FVTPL as of reporting date.

Financial assets at FVOCI

The Bank applies the new category under PFRS 9 of debt and equity instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

Financial assets at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortized cost. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit or loss for debt instruments.

As of December 31, 2024 and 2023, the Bank has designated quoted government debt instrument and unquoted equity securities that meet the FVOCI criteria.

Reclassification of financial assets

The Bank can reclassify financial assets if the objective of its business model for managing those financial assets changes. The Bank is required to reclassify the following financial assets:

- from amortized cost to FVTPL if the objective of the business model changes so that the amortized cost criteria are no longer met; and
- from FVTPL to amortized cost if the objective of the business model changes so that the amortized cost criteria start to be met and the instrument's contractual cash flows meet the amortized cost criteria; and
- from FVOCI to amortized cost if the objective of the business model changes so that the fair value criteria are no longer met but the amortized cost
- criteria is still met and the instrument's contractual cash flows meet the amortized cost criteria.

Reclassification of financial assets designated as at FVTPL or equity financial assets at FVOCI at initial recognition is not permitted.

A change in the objective of the Bank's business model must be effected before the reclassification date. The reclassification date is the beginning of the next reporting period following the change in the business model.

Financial Liabilities at Amortized Cost

This category represents issued financial instruments or their components, which are not designated at FVTPL where the substance of the contractual arrangement results in the Bank having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The financial liabilities at amortized cost are classified under the statement of the financial position captions 'Deposit liabilities' and 'Bills payable', and financial liabilities presented under 'Other liabilities'. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are integral part of the effective interest rate (EIR).

Restructured loans

Where possible, the Bank seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, the loan is no longer considered as past due.

Management continuously reviews restructured loans to ensure that all criteria are met and that future payments are likely to occur. The loan continues to be subject to an individual impairment calculated using the original EIR or collective impairment.

Impairment of Financial Assets

The Bank records expected credit losses (ECL) for all loans and other debt financial assets not classified as FVTPL.

ECL represents credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. ECL allowances are measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a significant increase in credit risk (SICR) since initial recognition (General Approach). The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECL are credit losses that results from all possible default events over the expected life of a financial instrument.

Staging assessment

A three-stage approach for impairment of financial assets is used, based on whether there has been a significant deterioration in the credit risk of a financial asset. These three stages then determine the amount of impairment to be recognized.

For non-credit-impaired financial instruments:

- Stage 1 is comprised of all non-impaired financial assets which have not experienced a SICR since initial recognition or is considered low credit risk as of the reporting date. The criteria for determining whether an account should be assessed under Stage 1 is that the account should be current for Micro loans while for Regular loans it should be current including past due up within the cure period of up to 30 days. The Bank recognizes a 12-month ECL for Stage 1 financial instruments.
- Stage 2 is comprised of all non-impaired financial assets which have experienced a SICR since initial recognition. For Micro loans, a SICR is deemed present in accounts with 1 day up to 7 days past due while for Regular loans a SICR is deemed present in accounts with 31 days up to 90 days past due. The Bank recognizes a lifetime ECL for Stage 2 financial instruments.

For credit-impaired financial instruments:

Stage 3 is comprised of all financial assets that have objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Bank recognizes a lifetime ECL for impaired financial instruments.

Definition of "default" and "restored"

The Bank classifies loans as in default when it is credit impaired, becomes past due on its contractual payments for more than 1 day for Micro Loans and more than 90 days for Regular Loans, which are considered non-performing.

Credit risk at initial recognition

The Bank uses internal credit assessment and approvals at various levels to determine the credit risk of exposures at initial recognition. Assessment uses both quantitative or qualitative approaches.

Significant increase in credit risk

The assessment of whether there has been a significant increase in credit risk is based on an increase in the probability of a default occurring since initial recognition. The SICR criteria vary by portfolio and include quantitative changes in probabilities of default and qualitative factors, including a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Bank's internal credit assessment, the borrower or counterparty is determined to require close monitoring or with well-defined credit weaknesses.

Or, if contractual payments are more than 7 days past due for Micro Loans and more than 30 days past due for Regular Loans, the credit risk is deemed to have increased significantly since initial recognition. Days past due are determined by counting the number of days since the earliest due date elapsed in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower except as provided by law. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, the Bank shall revert to recognizing a 12-month ECL.

ECL parameters and methodologies

ECL is a function of the probability of default (PD), loss given default (LGD) and exposure at default (EAD), with the timing of the loss also considered, and is estimated by incorporating forward-looking economic information and through the use of experienced credit judgment.

The PD is an estimate of the likelihood of default over a 12-month horizon for Stage 1 or lifetime horizon for Stages 2 and 3. The PD for each individual instrument is modelled based on historic data and is estimated based on current market conditions and reasonable and supportable information about future economic conditions. The Bank segments its credit exposures based on homogenous risk characteristics and developed a corresponding PD methodology for each portfolio. The PD methodology for each relevant portfolio is determined based on the underlying nature or characteristic of the portfolio, behavior of the accounts.

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It makes use of defaulted accounts that have either been identified as cured, restructured, or liquidated. The Bank segmented its LGD based on loan portfolio level.

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and loan retention in savings.

Forward-looking information

The Bank incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. A broad range of forward-looking information are considered as economic inputs, such as gross domestic product (GDP) growth, exchange rate, interest rate, inflation rate and other economic indicators. The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The key forward-looking economic variables used in each of the economic scenarios for the ECL calculations are Production Volume of Hogs, Savings Deposit Rate, and Wholesale Price Index for Micro Loans, Core Inflation, Producer Price Index, and Savings Deposit Rate for SME loans, and Bank Average Lending Rates. Savings Deposit Rate and Wholesale Price Index for Salary Loans for 2024. While in 2023, Consumer Price Index, Gross Domestic Product and Treasury Bills Rate for Micro Loans, Government Expenditure, Treasury Bills Rate, and Savings Deposit Rate for SME loans, and Bank Average Lending Rates. Savings Deposit Rate and Wholesale Price Index for Salary Loans.

The Bank records the allowance for expected credit losses for all loans and receivables and other financial debt assets not held at FVTPL. Equity investments are not subject to impairment under PFRS 9. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime ECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-month ECL, as outlined in Note 5 *Financial Risk Management Objectives and Policies*. The Bank's policies for determining if there has been a significant increase in credit risk are set out in Note 5.

Both lifetime ECL and 12-month ECL are calculated on an individual and collective basis.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. This is further explained in Note 5.

Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets are measured at amortized cost is recognized in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognized in OCI is recycled to the profit and loss upon derecognition of the assets.

Derecognition of Financial Assets and Financial Liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired; or
- the Bank retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a pass-through arrangement; or
- the Bank has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained the risks and rewards of the asset but has transferred control over the asset.

Where the Bank has transferred its rights to receive cash flows from an asset or has entered into a "pass-through" arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control over the asset, the asset is recognized to the extent of the Bank's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

The transfer of risks and rewards is evaluated by comparing the Bank's exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred asset. The Bank has retained substantially all the risks and rewards of ownership of a financial asset if its exposure to the variability in the present value of the future net cash flows from the financial asset does not change significantly as a result of the transfer (e.g., because the entity has sold a financial asset subject to an agreement to buy it back at a fixed price or the sole price plus a lender's return).

The Bank has transferred substantially all the risks and rewards of ownership of a financial asset if its exposure to such variability is no longer significant in relation to the total variability in the present value of the future net cash flows associated with the financial asset (e.g., because the entity has sold a financial asset subject only to an option to buy it back at its fair value at the time of repurchase or has transferred fully proportionate share of the cash flows from a larger financial asset in an agreement).

Whether the Bank has retained control of the transferred asset depends on the transferee's ability to sell the asset. If the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, the entity has not retained control.

Modification of financial assets

The Bank derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

The Bank considers both qualitative and quantitative factors in assessing whether a modification of financial asset is substantial or not. When assessing whether a modification is substantial, the Bank considers the following factors, among others:

- introduction of an equity feature;
- change in counterparty; and
- if the modification results in the asset no longer considered SPPI.

The Bank also performs a quantitative assessment similar to that being performed for modification of financial liabilities. In performing the quantitative assessment, the Bank considers the new terms of a financial asset to be substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial asset.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Bank recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the statement of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of a new financial asset, the modified asset is considered a 'new' financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The newly recognized financial asset is classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be originated as credit impaired (POCI).

Write-offs

Financial assets are written off either partially or in their entirety when the Bank no longer expects collections or recoveries within a foreseeable future. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income.

Investments in Associates

An associate is an entity over which the Bank has a significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The Bank's investment in an associate is accounted for using the equity method.

Under the equity method, investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Bank's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of income reflects the Bank's share of the results of operations of the associate. Any change in OCI of the associate is presented as part of the Bank's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Bank recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Bank and associate are eliminated to the extent of the interest in the associate.

The financial statements of the associates are prepared for the same reporting period as the Bank. The associates' accounting policies conform to those used by the Bank for like transactions and events in similar circumstances.

Upon loss of significant influence over the associate, the Bank measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in statement of income.

Property and Equipment

The Bank's property and equipment consist of land, building, furniture, fixtures and equipment, land and leasehold improvements that do not qualify as investment properties and right-of-use assets.

Land is stated at cost less any impairment in value while depreciable property and equipment such as furniture, fixtures and equipment, building, transportation equipment, leasehold improvements, and land improvements are stated at cost less accumulated depreciation and amortization and any impairment in value.

Construction in progress is stated at cost less any impairment in value. The initial cost is comprised of construction costs and any other directly-attributable costs of bringing asset to its working condition and location for its intended use, including borrowing costs. Construction in progress is not depreciated until such time that the relevant assets are completed and are ready for use.

Depreciation and amortization commences once the property and equipment are available for use and is computed using the straight-line method over the estimated useful lives (EUL) of the respective assets, except for leasehold improvements which are amortized over the shorter of the EUL of the improvements or the terms of the related leases. The EUL of the depreciable assets are as follows:

Building	7 to 15 years
Furniture, fixtures and equipment	3 to 7 years
Leasehold improvements	3 years or the terms of the related leases, whichever is shorter
Land improvements	5 years
Transportation equipment	5 to 7 years
Right-of-use assets – office space	1.5 to 10 years
Right-of-use assets – vehicles	1.5 to 2 years

The EUL, residual value and depreciation and amortization method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation is credited against profit or loss.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected for its use or disposal. Any resulting gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of income in the year the asset is derecognized.

Intangible Assets

Intangible assets consist of software costs that are recognized under 'Other assets' in the statement of financial position. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the statement of income in the expense category that is consistent with the function of the intangible assets.

If the entity acquires intangible assets by subcontracting other parties (e.g., development-and-supply contracts or research and development contracts), the entity must exercise judgment in determining whether it is acquiring an intangible asset or whether it is obtaining goods and services that are being used in the development of an intangible asset by the entity itself. In the latter case, the entity will only be able to recognize an intangible asset if the expenditures meet the criteria which confirm that

the related activity is at a sufficiently advanced stage of development, which shall be both technically and commercially viable and includes only directly attributable costs.

Only expenditure arising from the development phase can be considered for capitalization, with all expenditure on research being recognized as an expense when it is incurred.

Software costs recognized as assets are amortized on a straight-line basis over the EUL of three (3) to ten (10) years. The amortization period and method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Software costs under development are not amortized until available for use.

Impairment of Non-financial Assets

At each reporting date, the Bank assesses whether there is any indication that its non-financial assets (e.g., investment in an associate, property and equipment, and intangible assets) may be impaired. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Bank makes a formal estimate of recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the cash-generating unit (CGU) to which it belongs. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset (or CGU) is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU).

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income. After such a reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Leases

The Bank assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Bank as a lessee

The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a. Right-of-use assets

The Bank recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any

accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized adjusted by lease payments made at or before the commencement date and lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the depreciable assets. The depreciation expense is presented under 'Depreciation and amortization' in the statements of income.

If ownership of the leased asset transfers to the Bank at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies on 'Impairment of Non-financial Assets'. Right-of-use assets are presented under 'Property and equipment' in the statement of financial position.

b. Lease liabilities

At the commencement date of the lease, the Bank recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating the lease, if the lease term reflects the Bank exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Bank uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities are presented under 'Other liabilities' in the statement of financial position.

c. Short-term leases and leases of low-value assets

The Bank applies the short-term lease recognition exemption to its short-term leases of branch sites (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of branch sites that are considered to be low value (i.e., below ₱250,000). Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

Bank as a lessor

Leases in which the Bank does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from leased properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over

the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Equity

Capital stock

Capital stock is measured at par value for all shares issued and outstanding. When the Bank issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as deduction from proceeds, net of tax. The subscribed capital stock is reported in equity less the related subscription receivable.

Surplus

Surplus represents cumulative balance of periodic net income or loss, dividend distributions, if any, to the shareholders, effect of changes in accounting policy, and all other capital adjustments.

Dividends

Dividends on preferred and common shares are recognized as a liability and deducted from retained earnings when approved by the BOD of the Bank. Dividends declared during the year that are approved after the reporting date are dealt with as an event after the reporting date.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Bank assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal. The Bank has concluded that it is acting as a principal in all of its revenue arrangements.

Under PFRS 15, revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for those services.

Cost and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. These are recognized as incurred.

The following specific recognition criteria must also be met before revenue is recognized:

Interest income

For all financial instruments measured at amortized cost and FVOCI investments, income is recorded at EIR, which is the rate that exactly discounts estimated future cash flows through the expected useful life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options), includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. The adjusted carrying amount is calculated based on the original EIR. The change in carrying amount is recorded as 'Interest income' in the statement of income.

Once the recorded value of a financial asset or group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the original EIR applied to the new carrying amount.

Under PFRS 9, when a financial asset becomes credit-impaired and is, therefore, regarded as Stage 3 (as discussed in 'Impairment of Financial Assets' above), the Bank calculates interest income by applying the EIR to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis

Commission income, deposit-related fees, penalties and bank charges

Commissions are accrued when earned. Using an output method, revenue is recognized if the Bank has a right to invoice the customer for services directly corresponding to performance completed to date. These includes deposit-related fees, penalties and bank charges are recognized only upon collection or where there is a reasonable degree of certainty as to their collectability. These items are reported under 'Miscellaneous' in the statement of income.

Rental income

Rental income arising on leased properties is accounted for on a straight-line basis over the lease terms on ongoing leases and is recorded in the statement of income under 'Miscellaneous'.

Expense Recognition

Expense is recognized when it is probable that decrease in the future economic benefits related to decrease in an asset or an increase in liability has occurred and that the decrease in economic benefits can be measured reliably. Expense is recognized when incurred.

Interest expense

Interest expense for all interest-bearing financial liabilities is recognized in 'Interest expense' in the statement of income using the EIR of the financial liabilities to which they relate.

Other expenses

Expenses encompass losses as well as those expenses that arise in the ordinary course of business of the Bank. Expenses are recognized when incurred.

Retirement Benefits

The Bank operates a defined benefit retirement plan and a defined contribution plan, which require contributions to be made to a separately administered fund.

Defined benefit retirement plan

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the reporting date reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling (if any). The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expenses in the statement of income. Past service costs are

recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in the statement of financial position with a corresponding debit or credit to 'Remeasurement gains (losses) on retirement liabilities' under OCI in the period in which they arise. Remeasurements are not reclassified to the statement of income in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Bank, nor can they be paid directly to the Bank. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Defined contribution plan

The Bank also operates defined contribution plan referred to as "Hybrid Plan" which provides a retirement benefit equal to 100.0% of the member's employer accumulated value, if any, provided that in no case shall 100.0% of the employee accumulated value in Fund A be less than 100.0% of plan salary for every year of credited service.

Employee leave entitlement

Employee leave entitlements pertain to the vacation leave credits that can be carried over and monetized by the employees. The valuation of the Bank's accrual for other long-term employee benefits are dependent on certain assumptions used by its internal actuary in calculating such amounts. Those assumptions include, among others, discount and salary rates, future salary increase and average remaining working lives of employees.

Provisions and Contingencies

Provisions are recognized when the Bank has a present obligation (legal or constructive), as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Bank expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of income, net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized under 'Interest expense' in the statement of income.

Contingent liabilities are not recognized but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

Income Taxes

Current tax

Current tax assets and liabilities for the current and prior year periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the reporting date.

Deferred tax

Deferred tax is provided, using the statement of financial position liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and carryforward of unused excess MCIT over RCIT and unused NOLCO can be utilized. Deferred tax assets, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting income nor taxable income.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are applicable to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax relating to items recognized directly in equity is recognized in OCI, and not in the statement of income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred taxes relates to the same taxable entity and the same taxation authority.

Events After the Reporting Period

Any post year-end events that provide additional information about the Bank's position at the reporting date (adjusting events) are reflected in the Bank's financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

Standards Issued but Not Yet Effective

Standards issued but not yet effective up to the date of issuance of the Bank's financial statements are listed below. The listing consists of standards and interpretations issued, which the Bank reasonably expects to be applicable at a future date. The Bank intends to adopt these standards when they become effective. Except as otherwise indicated, the Bank does not expect the adoption

of these new and amended standards and interpretations to have a significant impact on the financial statements.

Effective beginning on or after January 1, 2025

- Amendments to PAS 21, *Lack of Exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards – Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

3. Significant Accounting Judgments and Estimates

The preparation of the Bank's financial statements in accordance with PFRS Accounting Standards requires the management to make judgments and estimates that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities at reporting date. Future events may occur which will cause the judgments used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

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

a. Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position or disclosed in the notes cannot be derived from active markets, they are determined using discounted cash flow model, incorporating inputs such as current market rates of comparable instruments. The carrying values and corresponding fair values of financial instruments, as well as the manner in which fair values were determined, are discussed in more detail in Note 4.

b. *Business model test*

The Bank manages its financial assets based on business models that maintain adequate level of financial assets to match expected cash outflows and maintain adequate level of high-quality liquid assets while maintaining a strategic portfolio of financial assets for trading activities consistent with its risk appetite.

The Bank's business model can be to hold financial assets to collect contractual cash flows even when sales of certain financial assets occur. PFRS 9, however, emphasizes that if more than an infrequent number of sales are made out of a portfolio of financial assets carried at amortized cost and those sales are more than insignificant in value (either individually or in aggregate), the entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows.

In making this judgment, the Bank considers the circumstances surrounding the disposal as well as the requirements of BSP Circular No. 1011, *Guidelines on the adoption of PFRS 9*.

c. *Cash flow characteristics test*

In determining the classification of financial assets under PFRS 9, the Bank assesses whether the contractual terms of these financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows

d. *Determination of significant influence over another entity*

The determination of significant influence over another entity, other than the rebuttable presumption of ownership over twenty percent (20.0%), requires significant judgment. In making judgment, the Bank evaluates existence of the following:

- representation on the BOD or equivalent governing body of the investee;
- participation in policy-making processes, including participation in decisions about dividends or other distributions;
- material transactions between the entity and its investee;
- interchange of managerial personnel; or
- provision of essential technical information.

As of December 31, 2024 and 2023, entities in which the Bank has significant influence are disclosed in Note 10.

Estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts in the statement of financial position within the next financial year are described below:

a. *Impairment of financial assets (PFRS 9)*

The measurement of impairment losses under PFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- Internal credit grading model, which assigns Probability of Default (PDs) to the individual grades
- Criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime CL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, exposure-at-default (EADs) and loss-given-default (LGDs)
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

The ECL models and all ECL-related policies are approved by the ECL Committee and the Risk Oversight Committee. The Risk Management Unit in collaboration with the Data Collection Center calculates the ECL for all credit risk exposures. The total ECL that will be booked by the Finance and Accounting Division is approved by both the Director for Finance and Accounting and the Director of Risk Management Unit.

The related allowance for credit losses on financial assets is disclosed in Note 9.

b. *Net plan assets and retirement expense*

Net plan assets and retirement expense are dependent on the selection of certain assumptions used by the actuary in calculating such amounts. Those assumptions are described in Note 19 and include, among others, discount rates, future salary increases and mortality rates, and average remaining working lives of employees. While management believes that the assumptions are reasonable and appropriate, significant differences in the Bank's actual experience or significant changes in the assumptions may materially affect the pension and other retirement obligation.

Since there is no deep market in high-quality corporate bonds in the Philippines, the Bank's discount rate for the defined benefit obligation was determined by considering the yields on long-term government securities. A lower discount rate would increase the present value of benefit obligations. The expected rate of salary increase was determined by considering the inflation, seniority, promotion and other market factors. The Bank evaluates these assumptions on a periodic basis taking into consideration current market conditions and historical market data.

Mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements, while future salary increases is based on the budgeted salary rate increase approved by the BOD. While the Bank believes that the assumptions are reasonable and appropriate, significant differences between actual experience and assumptions may materially affect the cost of employee benefits related to obligations. Employee turnover was assumed based on the multiple turnover experience rates with margins for fluctuations.

As of December 31, 2024 and 2023, the present value of retirement obligation and fair value of plan assets of the Bank are disclosed in Note 19.

4. Fair Value Measurement

Cash and other cash items, due from BSP, due from other banks, current portion of loans and receivables, current portion of security deposits, current portion of deposit liabilities, bills payable, deposit for future stock subscription, accrued expenses, accrued interest payable, accounts payable and dividends payable.

The fair values of these financial instruments approximate their carrying values in view of the short-term maturities of these instruments.

Financial assets at FVOCI

Fair values of quoted government securities are generally based on quoted market prices, which is within the bid-ask price. Financial assets at FVOCI of the Bank are categorized as Level 1 and in the absence of bid-offer as at reporting date and due to low volume of trading activity in the market.

Unquoted equity investments classified as financial asset at FVOCI are carried under Level 3 of the fair value hierarchy. This is determined using capital asset pricing model (CAPM). This is a model that describes the relationship between risks and expected return.

Financial assets at amortized cost

Fair values of quoted government securities are generally based on quoted market prices, which is within the bid-ask price. These investments are categorized as Level 1.

Fair values of unquoted debt securities were based on interpolation of Philippine zero rate of 6.1% and 5.2% in 2024 and 2023, respectively. These investments are categorized as Level 3.

Loans and receivables

Fair values are estimated using the discounted cash flow methodology, using the Bank's current incremental lending rates for similar types of receivables or securities. The discount rates used in estimating the fair value of loans and receivables are the incremental lending rates ranging from 6.09% to 6.18% and from 5.82% to 5.92% in 2024 and 2023, respectively.

Non-current portion of deposit liabilities and bills payable

Fair values of non-current deposit liabilities are estimated using the discounted cash flow methodology, using the Bank's current incremental borrowing rates for similar borrowings, ranging from 6.09% to 6.18% and 5.82% to 5.90% in 2024 and 2023 respectively, with maturities consistent with those remaining for the liability being valued, if any.

Fair Value Hierarchy

The following table summarizes the carrying amounts and the fair values by level of the fair value hierarchy of the Bank's financial assets and liabilities that are carried at fair value or for which fair value is disclosed as of December 31, 2024 and 2023 (amounts in thousands):

	2024				
	Carrying Value	Level 1	Level 2	Level 3	Total
Recurring fair value measurements					
Financial assets at FVOCI					
Government debt securities	₱2,122,165	₱2,122,165	₱–	₱–	₱2,122,165
Unquoted equity securities	42,189	–	–	42,189	42,189

(Forward)

	2024				
	Carrying Value	Level 1	Level 2	Level 3	Total
Assets and liabilities for which fair values are disclosed*:					
Financial assets					
Financial assets at amortized cost					
Government and other debt securities	₱2,909,733	₱3,200,810	₱–	₱–	₱3,200,810
Unquoted debt securities	31,119	–	–	43,241	43,241
Loans and receivables					
Receivables from borrowers	17,575	–	–	15,977	15,977
Financial liabilities carried at amortized cost*					
Deposit liabilities					
Special savings	2,841,688	–	–	2,290,128	2,290,128

*pertain to non-current portion of assets and liabilities presented

	2023				
	Carrying Value	Level 1	Level 2	Level 3	Total
Recurring fair value measurements					
Financial assets at FVOCI					
Government debt securities	₱1,979,688	₱356,344	₱1,623,344	₱–	₱1,979,688
Unquoted equity securities	31,350	–	–	31,350	31,350
Assets and liabilities for which fair values are disclosed*:					
Financial assets					
Financial assets at amortized cost					
Government and other debt securities	2,845,502	141,758	2,652,442	–	2,794,200
Unquoted debt securities	45,801	–	–	53,426	53,426
Loans and receivables					
Receivables from borrowers	16,791	–	–	14,737	14,737
Financial liabilities at amortized cost*					
Deposit liabilities					
Special savings	1,223,857	–	–	942,654	942,654

*pertain to non-current portion of assets and liabilities presented

As of December 31, 2024 and 2023, there were no transfers of financial instruments between Levels 1, 2, and 3.

Inputs used in estimating fair values of financial instruments carried at amortized cost and categorized under Level 3 include risk-free rates and applicable risk premium.

Impact of changes to key assumptions on fair value of level 3 financial instruments measured at fair value

The Bank determined the fair value of its unquoted equity securities classified as financial assets at FVOCI using the Capital Asset Pricing Model. This method estimates the expected return on an investment based on its systematic risk. It helps investors determine whether an asset offers a good expected return for its level of risk. While loans and special savings fair values are determined using present value of cashflows using BVAL rates based on maturity of the loan.

The assumptions above were used in the “Base Case” projections. These assumptions were individually changed (while holding other assumptions steady as in the Base Case) and the resulting valuations are derived to show sensitivity of the valuation to various changes in assumptions.

	2024	2023
Fair value of financial assets at FVOCI	₱42,188,564	₱31,349,911
Alternative scenarios:		
Increase/decrease in cost of equity:		
+100 basis points	(3,637,300)	(3,323,598)
-100 basis points	3,101,844	2,741,112

5. Financial Risk Management Objectives and Policies

In the course of the business cycle, the Bank has exposure to the following risks from its use of financial instruments:

- Credit risk
- Market risk
- Liquidity risk

The Bank adheres to the proactive and prudent approach of managing the business that recognizes and manages risks to continuously provide quality financial services to clients and to protect shareholders’ value.

Risk management process involves identifying and assessing the risk, taking actions to mitigate the risks through defined roles and responsibilities, close monitoring of the scenarios, and adjustment of the systems and policies necessary to effectively minimize risk level.

The BOD, through its Risk Oversight Committee (ROC), is responsible for monitoring the Bank’s implementation of risk management policies and procedures and for reviewing the adequacy of risk management framework in relation to the risks faced by the Bank.

The ROC regularly reports to the BOD the results of reviews of actual implementation of risk management policies. The risk management of the Bank is strengthened in conjunction with Audit Committee (AC) and Internal Audit (IA) functions. IA undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the AC.

In addition, an Asset Liability Committee (ALCO) with members from Executive Committee and Management Committee of the Bank, together with the Senior Finance and Accounting officers regularly performs analysis of the operating and financial status of the Bank. In addition, ALCO handles the financial risk management of the Bank.

Credit Risk

Credit risk is the risk of financial loss to the Bank if the counterparty to a financial instrument fails to meet its contractual obligations. The Bank manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for industry concentrations, and by monitoring exposures in relation to such limits.

Management of credit risk

Credit risk is being managed by instilling credit discipline both among the staff and the borrowers. Staff performs close-monitoring and assessment of account throughout the borrowing period, hence, on-time service delivery motivate the borrowers to fulfill their financial obligation to the highest standards. Borrowers are well-oriented and committed on the credit repayment design they undertake. In general, borrowers are also perpetual savers. Consequently, their pledge savings balances serve as guarantee to their loans, which increase their borrowing capacity.

Each business unit has a Unit Manager who reports on all credit related matters to the local management consisting of the Branch Manager and the Regional Director. Each business unit is responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolio. Regular audits of business units and credit processes are undertaken by IA. Field operations per unit are frequently monitored by the Executive Committee and Management Committee by actual visitations at the center level and unit office covered area.

In line with the Bank’s mission of “*providing continued access to integrated microfinance and social development services to an expanding membership base by organizing and empowering women and their families*”, microfinance services are part of the major programs of the Bank. Accordingly, the microfinance loans portfolio represents the bulk of the Bank’s assets. In microfinance lending operations, the field operations personnel are provided with thorough skills training for effective and efficient service delivery. The operations manual is a reference for every operations personnel.

The manual is customized for microfinance clients and is being updated as often as new policies and procedures are finalized and approved by the BOD based on client and staff satisfaction surveys, staff and management program review, and planning meetings and workshops. A codified signing authority is in place for every level of loan processing and approval.

Credit worthiness of microfinance clients is deepened through ownership of the Bank’s preferred stock, opportunity for their children to avail scholarship program, and chance to become a regular staff of CARD-MRI. Maximum loan amount per account holder is below 2.0% of the Bank’s equity and does not fall under directors, officers, stockholders and related interests (DOSRI) classification.

Consistent monitoring for all past due or impaired accounts are established by competent and diligent staff to maximize recovery. Incentives for bad debts collection have been established and subjected to review and assessment periodically. These were given to staff to recover from the accounts and to fully install credit discipline to clients. Writing off bad accounts are approved by the BOD and reported to the BSP in compliance with the rules and regulations for banks.

An independent research unit continuously conducts market research as a tool for updating and developing loan products responsive to the needs and demands of existing and potential clients. Hence, individual loans for advance microfinance clients have been developed and are being tested as a complement to their micro-entrepreneurial capacities. Loans under this system are fully backed-up by their savings balances and/or collateral required as appropriate.

The ROC closely monitors the overall credit operations. Identified existing and potential risks are acted upon appropriately and are reported during monthly BOD meeting.

Maximum exposure to credit risk

The carrying values of the financial assets and liabilities best represent the maximum exposure to credit risk. The table below shows the analysis of the maximum exposure to risk, net of allowance for credit losses, for financial assets as of December 31, 2024 and 2023:

2024				
	Maximum Exposure*	Fair Value of Collateral	Financial Effect of Collateral	Net Exposure
Receivables from borrowers	P16,373,053,670	P3,674,423,375	P3,674,423,375	P12,698,630,295
*Includes accrued interest receivable, net of allowance for credit losses on receivables from borrowers				
2023				
	Maximum Exposure*	Fair Value of Collateral	Financial Effect of Collateral	Net Exposure
Receivables from borrowers	P15,624,470,435	P3,118,383,860	P3,118,383,860	P12,506,086,575
*Includes accrued interest receivable, net of allowance for credit losses on receivables from borrowers				

Credit enhancement on receivable from borrowers pertains to deposit hold-out from pledge savings equivalent to 15.0% of the original amount of the loan to the member, deed of assignment, and real estate mortgage as of December 31, 2024 and 2023 (Note 13).

As of December 31, 2024 and 2023, the Bank has no financial assets with rights to offset in accordance with PAS 32. There are also no financial assets that are subject to an enforceable master netting arrangements or similar agreements which require disclosure in the financial statements in accordance with the offsetting disclosure requirements of PFRS 7.

Additionally, the tables below show the distribution of maximum credit exposure by industry sector of the Bank as at December 31, 2024 and 2023 (in thousands):

2024					
	Loans and Receivables*	Financial assets at FVOCI	Financial assets at amortized cost	Security Deposits**	Total
Financial and insurance activities	P5,344,696	P2,164,354	P2,940,852	—	P10,449,902
Other service activities	5,547,888	—	—	30,853	5,578,741
Agriculture, forestry and fishing	4,880,134	—	—	—	4,880,134
Wholesale and retail trade; repair of motor vehicles and motorcycles	4,447,482	—	—	—	4,447,482
Real estate activities	1,984,415	—	—	—	1,984,415
Manufacturing	370,416	—	—	—	370,416
Education	138,634	—	—	—	138,634
	22,713,665	2,164,354	2,940,852	30,853	27,849,724
Less: Allowance for credit losses	638,150	—	—	—	638,150
Total	P22,075,514	P2,164,354	P2,940,852	P30,853	P27,211,574

*Consist of due from BSP and other banks, receivable from borrowers and other receivables

**Reported under 'Other assets'

2023					
	Loans and Receivables*	Financial assets at FVOCI	Financial assets at amortized cost	Security Deposits**	Total
Financial and insurance activities	P2,333,486	P2,011,038	P2,891,304	—	P7,235,828
Wholesale and retail trade; repair of motor vehicles and motorcycles	5,588,463	—	—	—	5,588,463
Agriculture, forestry and fishing	4,989,955	—	—	—	4,989,955
Other service activities	3,559,280	—	—	32,059	3,591,339
Real estate activities	1,408,011	—	—	—	1,408,011
Manufacturing	417,202	—	—	—	417,202
Education	124,284	—	—	—	124,284
	18,420,681	2,011,038	2,891,304	32,059	23,355,082
Less: Allowance for credit losses	509,082	—	—	—	509,082
Total	P17,911,599	P2,011,038	P2,891,304	P32,059	P22,846,000

*Consist of due from BSP and other banks, receivable from borrowers and other receivables

**Reported under 'Other assets'

Credit quality per class of financial assets

The credit quality of financial assets is monitored and managed based on the credit standing and history.

Further, the financial assets are also grouped according to stage whose description is explained as follows:

Stage 1

Microfinance loans

Those that are considered current and based on change in rating, delinquencies and payment history do not demonstrate significant increase in credit risk.

Other loans - Agri loans, Educ loans and Other loans

Those that are considered current and based on change in rating, delinquencies and payment history do not demonstrate significant increase in credit risk.

SME loans and Fringe loans

Those that are considered current and up to 29 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2

SME loans and Fringe loans

Those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered 30 up to 89 days past due but does not demonstrate objective evidence of impairment as of reporting date.

Stage 3

Microfinance loans

Those that are considered in default or when the borrower has missed any installment payments and is past due for one (1) or more days.

Other loans - Agri loans, Educ loans and Other loans

Those that are considered in default or when the borrower has missed any installment payments and is past due for one (1) or more days.

SME loans and Fringe loans

Those that are considered in default or 90 or more days past due, and demonstrate objective evidence of impairment as of reporting date.

The following tables illustrate the Bank's credit exposures as at December 31, 2024 and 2023:

	2024			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Due from BSP				
Neither past due nor impaired				
High grade	P228,663,533	P–	P–	P228,663,533
Standard grade	–	–	–	–
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	–	–
Gross carrying amount	P228,663,533	P–	P–	P228,663,533

	2023			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Due from BSP				
Neither past due nor impaired				
High grade	P170,614,095	P–	P–	P170,614,095
Standard grade	–	–	–	–
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	–	–
Gross carrying amount	P170,614,095	P–	P–	P170,614,095

	2024			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Due from other banks				
Neither past due nor impaired				
High grade	P4,969,128,850	P–	P–	P4,969,128,850
Standard grade	12,601,543	–	–	12,601,543
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	–	–
Gross carrying amount	P4,981,730,393	P–	P–	P4,981,730,393

	2023			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Due from other banks				
Neither past due nor impaired				
High grade	P2,058,321,331	P–	P–	P2,058,321,331
Standard grade	8,074,757	–	–	8,074,757
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	–	–
Gross carrying amount	P2,066,396,088	P–	P–	P2,066,396,088

	2024			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Financial assets at FVOCI				
Neither past due nor impaired				
High grade	P2,122,165,274	P–	P–	P2,122,165,274
Standard grade	–	–	–	–
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	–	–
Gross carrying amount	P2,122,165,274	P–	P–	P2,122,165,274

	2023			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Financial assets at FVOCI				
Neither past due nor impaired				
High grade	P1,979,688,055	P–	P–	P1,979,688,055
Standard grade	–	–	–	–
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	–	–
Gross carrying amount	P1,979,688,055	P–	P–	P1,979,688,055

	2024			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Financial assets at amortized cost				
Neither past due nor impaired				
High grade	P2,940,852,057	P–	P–	P2,940,852,057
Standard grade	–	–	–	–
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	–	–
Gross carrying amount	P2,940,852,057	P–	P–	P2,940,852,057

	2023			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Financial assets at amortized cost				
Neither past due nor impaired				
High grade	P2,891,303,867	P–	P–	P2,891,303,867
Standard grade	–	–	–	–
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	–	–
Gross carrying amount	P2,891,303,867	P–	P–	P2,891,303,867

Receivable from borrowers

	2024			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Microfinance loans				
Neither past due nor impaired				
High grade	P–	P–	P–	P–
Standard grade	9,953,223,187	–	–	9,953,223,187
Past due but not impaired	–	11,588	–	11,588
Past due and impaired	–	–	448,220,823	448,220,823
Gross carrying amount	P9,953,223,187	P11,588	P448,220,823	P10,401,455,598

	2023			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Microfinance loans				
Neither past due nor impaired				
High grade	P–	P–	P–	P–
Standard grade	9,891,048,753	–	–	9,891,048,753
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	331,866,241	331,866,241
Gross carrying amount	P9,891,048,753	P–	P331,866,241	P10,222,914,994

	2024			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Other loans				
Neither past due nor impaired				
High grade	P–	P–	P–	P–
Standard grade	6,394,577,200	–	–	6,394,577,200
Past due but not impaired	–	79,104,433	–	79,104,434
Past due and impaired	–	–	82,417,342	82,417,342
Gross carrying amount	P6,394,577,200	P79,104,433	P82,417,342	P6,556,098,976

	2023			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Other loans				
Neither past due nor impaired				
High grade	P–	P–	P–	P–
Standard grade	5,308,528,908	–	–	P 5,308,528,908
Past due but not impaired	–	35,279,744	–	35,279,744
Past due and impaired	–	–	73,635,316	73,635,316
Gross carrying amount	P5,308,528,908	P35,279,744	P73,635,316	P5,417,443,968

	2024			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Islamic loans				
Neither past due nor impaired				
High grade	P–	P–	P–	P–
Standard grade	46,352,475	–	–	46,352,475
Past due but not impaired	–	10,000	–	10,000
Past due and impaired	–	–	265,095	265,095
Gross carrying amount	P46,352,475	P10,000	P265,095	P46,627,570

Other receivables

	2024			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Accrued interest receivables				
Neither past due nor impaired				
High grade	P34,620,940	P–	P–	P34,620,940
Standard grade	378,499,476	–	–	378,499,476
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	–	–
Gross carrying amount	P413,120,416	P–	P–	P413,120,416

	2023			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Accrued interest receivables				
Neither past due nor impaired				
High grade	P37,815,871	P–	P–	P37,815,871
Standard grade	446,837,164	–	–	446,837,164
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	–	–
Gross carrying amount	P484,653,035	P–	P–	P484,653,035

	2024			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Accounts receivables				
Neither past due nor impaired				
High grade	P–	P–	P–	P–
Standard grade	65,706,184	–	–	65,706,184
Past due but not impaired	–	4,121,632	–	4,121,632
Past due and impaired	–	–	16,140,258	16,140,258
Gross carrying amount	P65,706,184	P4,121,632	P16,140,258	P85,968,074

	2023			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Accounts receivables				
Neither past due nor impaired				
High grade	P–	P–	P–	P–
Standard grade	51,486,841	–	–	51,486,841
Past due but not impaired	–	196,479	–	196,479
Past due and impaired	–	–	6,976,811	6,976,811
Gross carrying amount	P51,486,841	P196,479	P6,976,811	P58,660,131

	2024			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Security deposits				
Neither past due nor impaired				
High grade	P30,852,930	P–	P–	P30,852,930
Standard grade	–	–	–	–
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	–	–
Gross carrying amount	P30,852,930	P–	P–	P30,852,930

	2023			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Security deposits				
Neither past due nor impaired				
High grade	P32,059,374	P–	P–	P32,059,374
Standard grade	–	–	–	–
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	–	–
Gross carrying amount	P32,059,374	P–	P–	P32,059,374

The description of the financial assets grading used by the Bank is as follows:

- *High grade* - These are receivables and investments which have a high probability of collection. The counterparty has the apparent ability to satisfy its obligation and the securities on the receivables are readily enforceable. These also include deposits with reputable institutions from which the deposits may be withdrawn and recovered with certainty.
- *Standard grade* - These are deposits, receivables and investments where collections are probable due to the reputation and the financial ability of the counterparty to pay but with experience of default.

As of December 31, 2024 and 2023, the Bank's receivables that are past due for more than 90 days are considered impaired.

Carrying amount per class of loans and receivables which terms have been renegotiated
Restructured receivables have principal terms and conditions that have been modified in accordance with an agreement setting forth a new plan of payment or a schedule of payment on a periodic basis.

When the receivable account becomes past due and is being restructured or extended, the approval of the BOD is required before loan booking and is always governed by the BSP rules on restructuring.

As of December 31, 2024 and 2023, the Bank's outstanding restructured receivables tagged as impaired account amounted to P0.1 million and P6.8 million, respectively.

Individually assessed impairment

The Bank determines the allowances appropriate for each significant loan or advances on an individual basis. Items considered when determining allowance amounts include the sustainability of the counterparty's business plan, its ability to improve performance once a financial difficulty has arisen, projected receipts and the expected dividend payout should bankruptcy ensue, the availability of other financial support and the realizable value of collateral, and the timing of the expected cash flows. The impairment losses are evaluated at each reporting date, unless unforeseen circumstances require more careful attention.

Collectively assessed impairment

Allowances are assessed collectively for losses on loans and advances that are not individually significant (including residential mortgages and unsecured consumer lending) and for individually significant loans and advances that have no objective evidence as a result of individual impairment assessment. Allowances are evaluated on each reporting date with each portfolio receiving a separate review.

The collective assessment takes account of impairment that is likely to be present in the portfolio even though there is no objective evidence of impairment yet in an individual assessment. Impairment losses are estimated by taking the following information into consideration: historical losses on the portfolio, current economic conditions, the approximate delay between the time a loss is likely to have been incurred and the time it will be identified as requiring an individually assessed impairment allowance, and expected receipts and recoveries once impaired.

Management is responsible for deciding the length of this period which can extend for as long as one year. The impairment allowance is then reviewed by credit management to ensure alignment with the Bank's overall policy.

Impairment assessment

The Bank recognizes a credit loss allowance on a financial asset based on whether it has had a significant increase in credit risk since initial recognition. Accordingly, the Bank categorizes its financial assets into three categories:

- Stage 1 - financial asset that has not had a significant increase in credit risk;
- Stage 2 - financial asset that has had a significant increase in credit risk; and
- Stage 3 - financial asset in default.

Generally, the Bank applies a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due.

Further, the Bank considers a financial asset as in default when (a) as a result of one or more loss events, there is objective evidence that its recoverable value is less than its carrying amount; (b) it is classified as doubtful or loss under prudential reporting; (c) it is in litigation; and/or (d) full repayment of principal and interest is unlikely without foreclosure of collateral, if any. When applicable, the Bank also applies a rebuttable presumption that default does not occur later than when a financial asset is 90 days past due unless the Bank has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The Bank then measures the credit loss allowance on a financial instrument at an amount equal to 12-month expected credit losses for items categorized as stage 1 and lifetime credit losses to items categorized as stage 3.

Two modeling approaches were employed to build a consistent framework for the development of all ECL models of the Bank. Both modeling approaches consider past events, current conditions and forecast of economic conditions in assessing impairment.

The complex model approach is used for portfolios with a significant number of historical defaults. This approach was applied to the consumer loan portfolios. These quantitative models are built by applying statistical, economic, financial or mathematical theories, techniques and assumptions to calculate provisions. Where historical data are insufficient to develop statistical models, the simplified ECL approach was employed.

Default and cure

As a part of a qualitative assessment of whether a customer is in default, the Bank considers a variety of instances that may indicate unlikelihood to pay. The Bank's definition of default is aligned with the non-performing loan criteria as prescribed in BSP Circular No. 941. Defaults refer to loans, investments, receivables, or any financial asset, even without missed contractual payments, that satisfy any of the following conditions (1) impaired under existing accounting standards, (2) classified as doubtful or loss, (3) in litigation, (4) and/or there is evidence that full repayment of principal and interest is unlikely without foreclosure of collateral, if any. All other loans, even if not considered impaired, shall be considered non-performing if any principal and/or interest are (5) unpaid for more than ninety (90) days from contractual due date, or accrued interests for more than ninety (90) days have been capitalized, refinanced, or delayed by agreement. (6) Microfinance and other small loans with similar credit characteristics shall be considered non-performing after contractual due date or after it has become past due. (7) Restructured loans shall be considered nonperforming. However, if prior to restructuring, the loans were categorized as performing, such classification shall be retained. Defaults are characterized by financial assets that have objective evidence of impairment at the reporting date and as such classified under Stage 3 ECL treatment.

An instrument is considered to be no longer in default, i.e., to have cured, when it no longer meets any of the default criteria above and there is sufficient evidence to support full collection through payments received for at least 6 months. Cured accounts are classified under Stage 1 ECL treatment.

Exposure at default (EAD)

The Bank defines EAD as the principal and interests that would not be collected assuming the borrower's defaults during a future point in time. The Bank computes for a financial asset's EAD using the expected contractual cash flows during the contractual life of the financial instrument less the savings retention required for the loan. The bank believes that the savings retention decreases the exposure from non-collection since the bank has the contractual right to deduct the savings retention from any unpaid amount in the event of customer default. A financial asset's EAD is defined as the sum of EAD from principal and EAD from interest less the savings retention.

Probability of default (PD)

The Bank uses forward-looking PD estimates that are unbiased and probability-weighted using a range of possible outcomes. The PD for each individual instrument is modelled based on historical data and is estimated based on current market conditions and reasonable and supportable information about future economic conditions. As at December 31, 2024, the Bank used sophisticated PD methodology using Binary Logistic Regression Model per Loan Product, while as at December 31, 2023 and 2024, the PD methodology for each relevant portfolio is based on the underlying nature or characteristic of the portfolio, behavior of the accounts and materiality of the segment as compared to the total portfolio segmenting each loan portfolio to PD score bands grouping with 1 as the highest grade and 5 as the lowest grade. The Bank's PDs are mainly categorized into the following: (a) microfinance loans (b) small and medium-size enterprise financing; and (c) personal and consumption loans.

Loss given default (LGD)

The Bank's LGD model considers certain factors such as the historical cash flow recovery, reasonable and supportable information about future economic conditions, where appropriate and the recovery period of the loan during the time it matured. Generally, the model utilizes the Bank's existing loan exposure rating system which is designed to capture these factors as well as the period where recovery of interest and principal is already finished. In cases wherein this does not apply, the Bank looks into the standard characteristics of collaterals (e.g., auto and housing loans) in order to estimate an LGD factor.

Economic overlays

The Bank's incorporates economic overlays into the measurement of ECL to add a forward-looking risk measure parallel to the expected future macroeconomic atmosphere. A broad range of economic indicators were considered for the economic inputs. The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To address this, quantitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. The Bank's loans and receivables consist of different portfolios, such as corporate and commercial loans and consumer loans, as well as other receivables (e.g., sales contract receivables). In compliance with PFRS 9, the Bank developed ECL parameters and methodologies for each portfolio, using historical data as well as forward-looking inputs and assumptions.

Liquidity Risk

Liquidity risk is generally defined as the current and prospective risk to earnings or capital arising from the Bank's inability to meet its obligations when they come due without incurring unacceptable losses or costs.

Liquidity risk is managed by the Bank through holding sufficient liquid assets and appropriate assessment to ensure short-term funding requirements are met and by ensuring the high collection performance at all times. Deposits with banks are made on a short-term basis with almost all being available on demand or within one month.

Through CARD-MRI's Treasury Group uses liquidity forecast models that estimate the Bank's cash flow needs based on the Bank's actual contractual obligations and under normal circumstances and extraordinary circumstances. The Bank expects that majority of the depositors will not request payment on the earliest date that the Bank could be required to pay.

The ALCO is responsible in formulating the Bank's liquidity risk management policies. Liquidity management is among the most important activities conducted within the Bank. The Bank manages its liquidity risk through analyzing net funding requirements under alternative scenarios, diversification of funding sources, and contingency planning. The Bank utilizes a diverse range of sources of funds, although short-term deposits made with the Bank's network of domestic branches comprise the majority of such funding. Core deposits composed mainly of microfinance savings.

The tables below summarize the maturity profile of the financial instruments of the Bank based on contractual undiscounted cash flows (in thousands):

	2024					Total
	On Demand	Less than 30 days	30 to 90 days	91 to 360 days	More than 360 days	
Financial Assets						
Cash and other cash items	₱272,478	₱–	₱–	₱–	₱–	₱272,478
Due from BSP	228,664	–	–	–	–	228,664
Due from other banks*	872,927	1,065,260	3,195,996	–	–	5,134,183
Financial assets at FVOCI*	42,189	–	–	1,125,883	1,098,147	2,266,219
Financial assets at amortized cost*	86	48	74	205,143	2,876,700	3,082,051
Loans and receivables*						
Microfinance	374,283	346,516	2,063,146	11,933,070	12,149	14,729,164
Others	178,496	481,369	953,089	5,852,292	10,348	7,475,594
Islamic	162	1,643	11,973	33,782	–	47,560
Security Deposit	–	–	–	–	30,853	30,853
Total Financial Assets	1,969,285	1,894,836	6,224,278	19,150,170	4,028,197	33,266,766
Financial Liabilities						
Deposit liabilities						
Demand	–	618,214	–	–	–	618,214
Savings*	2,459,005	2,435,607	1,120,998	8,604,808	2,846,425	17,466,843
Bills payable*	–	–	–	114,151	–	114,151
Other liabilities	484,288	26,651	30,679	71,780	323,867	937,265
Total Financial Liabilities	2,943,293	3,080,472	1,151,677	8,790,739	3,170,292	19,136,473
Net	(₱974,008)	(₱1,185,636)	₱5,072,601	₱10,359,431	₱857,905	₱14,130,293

*includes future interest

	2023					Total
	On Demand	Less than 30 days	30 to 90 days	91 to 360 days	More than 360 days	
Financial Assets						
Cash and other cash items	₱238,493	₱–	₱–	₱–	₱–	₱238,493
Due from BSP	170,614	–	–	–	–	170,614
Due from other banks*	659,584	–	1,391,186	75,664	–	2,126,434
Financial assets at FVOCI*	–	–	54,588	215,409	1,822,707	2,092,704
Financial assets at amortized cost*	233	40	82	48,239	2,958,362	3,006,956
Loans and receivables*						
Microfinance	267,429	762,857	2,674,925	12,970,489	2,322	16,678,022
Others	125,208	682,373	936,228	4,927,868	14,469	6,686,146
Total Financial Assets	1,461,561	1,445,270	5,057,009	18,237,669	4,797,860	30,999,369
Financial Liabilities						
Deposit liabilities						
Demand	310,099	–	–	–	–	310,099
Savings*	12,752,949	1,189,301	170,337	272,660	1,260,573	15,645,820
Bills payable*	–	–	–	51,827	–	51,827
Other liabilities	254,307	15,663	31,394	72,294	269,287	642,945
Total Financial Liabilities	13,317,355	1,204,964	201,731	396,781	1,529,860	16,650,691
Net	(₱11,855,794)	₱240,306	₱4,855,278	₱17,840,888	₱3,268,000	₱14,348,678

*includes future interest

Market Risk

Market risk is the risk of loss to future earnings, fair values or future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates. The financial instruments of the Bank have fixed interest rates, and therefore are not subject to any interest rate risk.

Interest rate risk

The Bank's receivables earn fixed interest rates ranging from 12.0% to 28.0% per annum with equivalent EIR ranging from 16.0% to 52.0% in 2024 and 2023. The shortest term of loan is one (1) month while the longest term is twelve (12) years.

The Bank's savings deposit liabilities include compulsory and voluntary savings that earn 0.3% to 6.0% per annum in 2024 and 2023. Special savings deposits have interest rates of 2.0% to 4.3% in 2024 and 2023.

The Bank pays fixed interest rates on its bills payables, with interest rates ranging from 4.2% to 6.5% per annum in 2024 and 2023, and payable within 6 months to 7 years in 2024 and 2023.

In order to manage its net interest margin, the Bank places its excess funds in high-yield investments and other short-term time deposits.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in interest rates. The Bank's exposure to fair value interest rate risk relates primarily to investments in FVOCI debt securities.

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Bank's OCI to the impact of interest on FVOCI debt securities:

	Changes in interest rates (in basis points)			
	2024		2023	
	+10.0	-10.0	+10.0	-10.0
Sensitivity of equity	(P15,384,626)	P15,712,053	(P21,908,564)	P22,308,009

Cash flow interest rate risk

The exposure to cash flow interest rate risk results primarily from financial instruments which carry floating interest rates that are reset as market rates changes. As at December 31, 2024 and 2023, the Bank has no financial assets at FVOCI, financial assets at amortized cost, and financial liabilities that have floating interest rates, therefore no exposure to cash flow interest risk.

Foreign currency risk

The Bank's exposure to foreign exchange risk is minimal as it arises mainly from foreign currency-denominated liabilities (foreign currency liabilities).

Foreign currency liabilities generally consist of foreign currency deposits in the Bank's FCDU account made in the Philippines or which are generated from remittances to the Philippines by Filipino expatriates and overseas Filipino workers who retain for their own benefit or for the benefit of a third party, foreign currency deposit accounts with the Bank and foreign currency-denominated borrowings appearing in the regular books of the Bank.

Foreign currency deposits are generally used for those depositors accepting and will accept remittance from abroad. Banks are required by the BSP to match the foreign currency assets with the foreign currency liabilities held through FCDUs.

The Bank's policy is to maintain foreign currency exposure within existing regulations and within acceptable risk limits. The Bank believes in ensuring its foreign currency exposure is, at all times, within limits presented for a financial institution engaged in the type of business in which the Bank is engaged in. As at December 31, 2024 and 2023, the Bank has no significant foreign currency exposure since its transactions and balances in FCDU are only minimal.

Operational Risk Management Policies and Procedures

Operational risk is the probability of risk to capital or earnings, or potential loss arising from fraud, unauthorized activities, errors, omissions, system failures or from external events. This is the broadest risk type encompassing product development and delivery, operational processing, systems development, computing systems, complexity of products and services, and the internal control environment.

Operational risk management is considered a critical element in the Bank's commitment to sound management and corporate governance. Under the Bank's operational risk management framework and operational risk manual, a risk-based approach is used in mapping operational risks along critical/key business processes, addressing any deficiencies/weaknesses through the proactive process of identifying, assessing and limiting impact of risk in every business/operational area.

Bank policies on internal control, information security, and other operational risk aspects have been established. Key risk indicators and risk assessment guidelines have been implemented and disseminated to different sectors of the Bank to provide alerts for operational risk vulnerabilities. The Bank has instituted a risk and control assessment process, as well as an issue escalation procedure to ensure that issues or incidents where lapses in controls occur are captured, evaluated and elevated for correction. The bank has an established a business continuity plan to ensure continued bank operations in the face of potential disruptions to operations as well as fraud management framework for the prevention, detection, investigation and recovery strategies to manage fraud, both internal and external.

6. Cash and Cash Equivalents

The composition of this account follows:

	2024	2023
Cash and other cash items	P272,477,972	P238,493,157
Due from BSP	228,663,533	170,614,095
Due from other banks	4,981,730,393	2,066,396,088
	P5,482,871,898	P2,475,503,340

Cash and Other Cash Items

Cash includes cash in vault and in automated teller machines.

Due from BSP

Due from BSP account represents the aggregate balance of non-interest-bearing peso deposit account with the BSP which the Bank maintains primarily to meet reserve requirements and to serve as a clearing account for interbank claims (Note 13).

Due from Other Banks

Due from other banks represent funds deposited with domestic banks which are used as part of the Bank's operating funds.

Due from other banks consists of:

	2024	2023
Demand deposit	₱752,660,112	₱522,881,976
Savings deposit	111,624,097	130,171,086
Time deposit	4,117,446,184	1,413,343,026
	₱4,981,730,393	₱2,066,396,088

As at December 31, 2024 and 2023, due from other banks include dollar-denominated deposits amounting to \$0.3 million (₱16.9 million) and \$0.5 million (₱27.1 million), respectively.

Peso-denominated deposits pertain to demand, savings, and time deposit accounts that earn interest at annual rates ranging from nil to 6.2% and from nil to 6.4% in 2024 and 2023, respectively. Dollar-denominated deposits earn interest at annual rates ranging from 0.1% to 4.0% and from 0.1% to 4.9% in 2024 and 2023 respectively.

Total interest income earned on deposits from other banks amounted to ₱178.6 million and ₱147.6 million in 2024 and 2023, respectively. Of these amounts, ₱114,298 and ₱96,295 pertain to interest income from dollar deposits in 2024 and 2023, respectively. Foreign exchange gain recognized under miscellaneous income amounted to ₱643,040 and ₱483,502 in 2024 and 2023, respectively (Note 18).

7. Financial Assets at Fair Value through Other Comprehensive Income

This account consists of:

	2024	2023
Quoted government debt securities	₱2,122,165,724	₱1,979,688,055
Unquoted equity securities (Note 22)	42,188,564	31,349,911
	₱2,164,354,288	₱2,011,037,966

Quoted Government Debt Securities

Debt securities at FVOCI consist of quoted government debt securities that earn nominal interest rates ranging from 0.0% to 6.5% in 2024 and 2023. Effective interest rates range from 3.2% to 6.5% and from 2.7% to 6.5% in 2024 and 2023, respectively.

Unquoted Equity Securities

In 2023, the Bank acquired 155,745 preferred shares of CARD MRI Rizal Bank, Inc. (RBI), at ₱200 par value representing 15.6% ownership with a total amount of ₱31.1 million. In 2024, the Bank's ownership interest to CARD RBI increased to 15.8% by acquiring additional preferred shares of 2,674.

Interest income on financial assets at FVOCI amounted to ₱140.8 million and ₱122.9 million in 2024 and 2023, respectively. Amortization of premium on financial assets at FVOCI amounted to ₱51.2 million and ₱30.8 million in 2024 and 2023, respectively. Redeemed FVOCI investment amounted to ₱2.0 billion and ₱1.2 billion in 2024 and 2023, respectively.

The movements in the net unrealized losses on financial assets at FVOCI of the Bank follow:

	2024	2023
Balance at January 1	(₱13,093,909)	(₱38,010,347)
Fair value changes during the year	14,647,395	33,221,917
Income tax effects	(3,661,849)	(8,305,479)
	10,985,546	24,916,438
Balance at December 31	(₱2,108,363)	(₱13,093,909)

8. Financial Assets at Amortized Cost

This account consists of:

	2024	2023
Quoted debt securities	₱2,909,733,203	₱2,845,501,893
Unquoted debt securities	31,118,854	45,801,974
	₱2,940,852,057	₱2,891,303,867

Quoted Debt Securities

Government debt securities have fixed annual interest rates ranging from 2.6% to 6.5% and from 1.5% to 6.5% in 2024 and 2023, respectively. Effective interest rates range from 3.4% to 6.5% and from 3.4% to 6.2% in 2024 and 2023, respectively. Amortization of premium on financial assets at Amortized Cost amounted to ₱10.2 million and ₱10.5 million in 2024 and 2023, respectively.

The terms of these investments range from 3 to 10 years in 2024 and 2023.

Unquoted Debt Securities

Unquoted debt securities consist of long-term certificates of Agrarian Reform (AR) bonds issued by the National Government.

The AR bonds, which were acquired in 2017, bear annual interest rates based on the 91-day Treasury bills and is subject to repricing. Interest income on investments in AR bonds amounted to ₱2.3 million in 2024 and ₱3.1 million in 2023, and amortization discount amounted to nil in 2024 and 2023.

These instruments are acquired in compliance with the requirements set by RA No. 9501 and Agri-Agra Reform Credit Act of 2000 (RA No. 10000) that lending institutions or any party otherwise required to make a mandatory allocation of credit resources to MSMEs and Agri-Agra, shall be deemed as compliance with the mandated loan portfolio allocation percentage.

Interest income on investment securities at amortized cost follows:

	2024	2023
Quoted debt securities	₱141,409,683	₱139,794,840
Unquoted debt securities	2,252,410	3,103,079
	₱143,662,093	₱142,897,919

9. Loans and Receivables

This account consists of:

	2024	2023
Receivables from borrowers		
Microfinance loans* (Note 14)	₱10,401,455,598	₱10,222,914,994
Regular loans	5,450,394,971	4,347,709,487
Agricultural-agrarian loans	1,105,704,005	1,069,734,481
Islamic loans	46,627,570	—
	17,004,182,144	15,640,358,962
Other receivables:		
Accrued interest receivables		
Receivable from borrowers	364,786,768	446,837,164
Financial asset at FVOCI	13,140,289	13,683,035
Financial asset at amortized cost	21,480,651	21,662,334
Cash and cash equivalents	13,712,708	2,470,502
Accounts receivable (Note 22)	85,968,074	58,660,131
	17,503,270,634	16,183,672,128
Less: Allowance for credit losses	638,150,174	509,081,951
	₱16,865,120,460	₱15,674,590,177

*Include microfinance loans used to secure bills payable amounting to ₱0.2 billion and ₱0.1 billion as of December 31, 2024 and 2023, respectively.

Regular loans include salary loans granted to the Bank's employees and officers, and government and schools employees amounting to ₱10.1 million and ₱14.8 million as at December 31, 2024 and 2023, respectively, and earning fixed annual interest rates ranging from 6.0% to 28.0% in 2024 and 2023 (Note 22).

Interest income on receivables from borrowers amounted to ₱8.4 billion and ₱6.9 billion in 2024 and 2023, respectively. Receivables from borrowers earn interest with effective interest rates ranging from 33.5% to 57.9% in 2024 and 2023. Nominal interest rates of these receivables range from 12.0% to 28.0% in 2024 and 2023.

The movements in allowance for credit losses on loans and receivables from borrowers follow:

	2024	2023
Balance at beginning of year	₱500,541,562	₱901,341,724
Provision for credit losses	343,676,349	19,513,069
Written-off loans	(213,089,436)	(420,313,231)
Balance at end of year	₱631,128,475	₱500,541,562

The movements in allowance for credit losses on other receivables follow:

	2024	2023
Balance at beginning of year	₱8,540,389	₱3,714,845
Provision for credit losses	5,374,846	4,825,544
Written-off loans	(6,893,536)	—
Balance at end of year	₱7,021,699	₱8,540,389

Transfers of allowance for ECLs between stages

The tables below illustrate the movements of the allowance for impairment and credit losses during the year (effect of movements in ECL due to transfers between stages are shown in the total column) for the Bank's microfinance loans:

	2024			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loss allowance at January 1, 2024	₱115,456,505	₱—	₱245,268,095	₱360,724,600
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(3,248)	3,248	—	—
Transfer from Stage 1 to Stage 3	(102,963,745)	—	102,963,745	—
Transfer from Stage 2 to Stage 1	—	—	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	66,908	—	(66,908)	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated or purchased	273,652,183	—	—	273,652,183
Changes in PDs/LGDs/EADs	(18,550)	—	294,906,727	294,888,177
Financial assets derecognized during the period	(112,387,758)	—	(177,666,982)	(290,054,740)
Total net P&L charge during the period	58,345,790	3,248	220,136,582	278,485,620
Other movements without P&L impact				
Write-offs and other movements	—	—	(166,676,848)	(166,676,848)
Total movements without P&L impact	—	—	(166,676,848)	(166,676,848)
Loss allowance at December 31, 2024	₱173,802,295	₱3,248	₱298,727,829	₱472,533,372

	2023			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loss allowance at January 1, 2023	₱88,595,985	₱—	₱622,515,674	₱711,111,659
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	—	—	—	—
Transfer from Stage 1 to Stage 3	(60,068,966)	—	60,068,966	—
Transfer from Stage 2 to Stage 1	—	—	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	1,449,828	—	(1,449,828)	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated or purchased	174,022,719	—	—	174,022,719
Changes in PDs/LGDs/EADs	(1,859,196)	—	395,826,054	393,966,858
Financial assets derecognized during the period	(86,683,865)	—	(475,313,192)	(561,997,057)
Total net P&L charge during the period	26,860,520	—	(20,868,000)	5,992,520
Other movements without P&L impact				
Write-offs and other movements	—	—	(356,379,579)	(356,379,579)
Total movements without P&L impact	—	—	(356,379,579)	(356,379,579)
Loss allowance at December 31, 2023	₱115,456,505	₱—	₱245,268,095	₱360,724,600

The tables below illustrate the movements of the allowance for impairment and credit losses during the year (effect of movements in ECL due to transfers between stages are shown in the total column) for the Bank's regular loans:

	2024			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loss allowance at January 1, 2024	₱56,364,215	₱395,164	₱61,996,533	₱118,755,912
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(260,743)	260,743	–	–
Transfer from Stage 1 to Stage 3	(30,270,402)	–	30,270,402	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	(222,878)	222,878	–
Transfer from Stage 3 to Stage 1	81,849	–	(81,849)	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased	79,459,087	–	–	79,459,087
Changes in PDs/LGDs/EADs	(2,837,938)	907,986	68,960,274	67,030,322
Financial assets derecognized during the period	(54,179,478)	(170,121)	(45,725,270)	(100,074,869)
Total net P&L charge during the period	(8,007,625)	775,730	53,646,435	46,414,540
Other movements without P&L impact				
Write-offs and other movements	–	–	(39,054,312)	(39,054,312)
Total movements without P&L impact	–	–	(39,054,312)	(39,054,312)
Loss allowance at December 31, 2024	₱48,356,590	₱1,170,894	₱76,588,656	₱126,116,140

	2023			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loss allowance at January 1, 2023	₱35,776,555	₱3,079,605	₱105,674,280	₱144,530,440
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(117,649)	117,649	–	–
Transfer from Stage 1 to Stage 3	(18,028,401)	–	18,028,401	–
Transfer from Stage 2 to Stage 1	56,744	(56,744)	–	–
Transfer from Stage 2 to Stage 3	–	(2,193,105)	2,193,105	–
Transfer from Stage 3 to Stage 1	506,675	–	(506,675)	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased	14,756,881	–	–	14,756,881
Changes in PDs/LGDs/EADs	55,937,228	220,513	51,664,326	107,822,067
Financial assets derecognized during the period	(32,523,818)	(772,754)	(71,138,246)	(104,434,818)
Total net P&L charge during the period	20,587,660	(2,684,441)	240,911	18,144,130
Other movements without P&L impact				
Write-offs and other movements	–	–	(43,918,658)	(43,918,658)
Total movements without P&L impact	–	–	(43,918,658)	(43,918,658)
Loss allowance at December 31, 2023	₱56,364,215	₱395,164	₱61,996,533	₱118,755,912

The tables below illustrate the movements of the allowance for impairment and credit losses during the year (effect of movements in ECL due to transfers between stages are shown in the total column) for the Bank's agricultural-agrarian loans:

	2024			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loss allowance at January 1, 2024	₱6,135,390	₱–	₱14,925,659	₱21,061,049
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(1)	1	–	–
Transfer from Stage 1 to Stage 3	(8,171,867)	–	8,171,867	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	1,239	–	(1,239)	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased	17,928,559	–	–	17,928,559
Changes in PDs/LGDs/EADs	(11,689)	10,396	18,830,890	18,829,597
Financial assets derecognized during the period	(6,023,976)	–	(10,535,684)	(16,559,660)
Total net P&L charge during the period	3,722,265	10,397	16,465,834	20,198,496
Other movements without P&L impact				
Write-offs and other movements	–	–	(9,410,887)	(9,410,887)
Total movements without P&L impact	–	–	(9,410,887)	(9,410,887)
Loss allowance at December 31, 2024	₱9,857,655	₱10,397	₱21,980,606	₱31,848,658

	2023			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loss allowance at January 1, 2023	₱8,713,063	₱–	₱36,986,562	₱45,699,625
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	(5,059,777)	–	5,059,777	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	153,922	–	(153,922)	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased	4,504,015	–	–	4,504,015
Changes in PDs/LGDs/EADs	6,439,455	–	21,267,184	27,706,639
Financial assets derecognized during the period	(8,615,288)	–	(28,218,947)	(36,834,235)
Total net P&L charge during the period	(2,577,673)	–	(2,045,908)	(4,623,581)
Other movements without P&L impact				
Write-offs and other movements	–	–	(20,014,995)	(20,014,995)
Total movements without P&L impact	–	–	(20,014,995)	(20,014,995)
Loss allowance at December 31, 2023	₱6,135,390	₱–	₱14,925,659	₱21,061,049

The tables below illustrate the movements of the allowance for impairment and credit losses during the year (effect of movements in ECL due to transfers between stages are shown in the total column) for the Bank's Islamic loans:

	2024			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loss allowance at January 1, 2024	₹-	₹-	₹-	₹-
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(161)	161	-	-
Transfer from Stage 1 to Stage 3	(162,731)	-	162,731	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 1	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	630,303	-	-	630,303
Changes in PDs/LGDs/EADs	-	-	-	-
Financial assets derecognized during the period	-	-	-	-
Total net P&L charge during the period	467,411	161	162,731	630,303
Other movements without P&L impact				
Write-offs and other movements	-	-	-	-
Total movements without P&L impact	-	-	-	-
Loss allowance at December 31, 2024	₹467,411	₹161	₹162,731	₹630,303

Transfers of gross outstanding loans with accrued interest receivable between stages

The movements in gross carrying amount of microfinance loans (including accrued interest receivable) between stages follow:

	2024			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Gross carrying amount as at January 1, 2024	₹10,166,825,365	₹-	₹331,866,241	₹10,498,691,606
Transfers:				
Transfer from Stage 1 to Stage 2	(60,394)	60,394	-	-
Transfer from Stage 1 to Stage 3	(439,383,128)	-	439,383,128	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 1	142,200	-	(142,200)	-
Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	17,068,093,268	-	-	17,068,093,268
Collections of principal and interest	(6,685,491,668)	(48,806)	(117,541,631)	(6,803,082,105)
Financial assets derecognized during the period	(9,951,618,113)	-	(38,667,867)	(9,990,285,980)
Write-offs and other movements	-	-	(166,676,848)	(166,676,848)
Gross carrying amount as at December 31, 2024	₹10,158,507,530	₹11,588	₹448,220,823	₹10,606,739,941

	2023			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Gross carrying amount as at January 1, 2023	₹9,096,843,040	₹-	₹622,515,673	₹9,719,358,713
Transfers:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	(311,248,048)	-	311,248,048	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 1	1,449,828	-	(1,449,828)	-
Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	24,718,290,420	-	-	24,718,290,420
Collections of principal and interest	(14,437,672,363)	-	(125,134,460)	(14,562,806,823)
Financial assets derecognized during the period	(8,900,837,512)	-	(118,933,613)	(9,019,771,125)
Write-offs and other movements	-	-	(356,379,579)	(356,379,579)
Gross carrying amount as at December 31, 2023	₹10,166,825,365	₹-	₹331,866,241	₹10,498,691,606

The movements in gross carrying amount of regular loans (including accrued receivable) between stages follow:

	2024			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Gross carrying amount as at January 1, 2024	₹4,377,714,442	₹2,551,974	₹83,814,823	₹4,464,081,239
Transfers:				
Transfer from Stage 1 to Stage 2	(3,242,527)	3,242,527	-	-
Transfer from Stage 1 to Stage 3	(118,066,751)	-	118,066,751	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	(1,867,440)	1,867,440	-
Transfer from Stage 3 to Stage 1	179,705	-	(179,705)	-
Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	9,380,139,527	-	-	9,380,139,527
Collections of principal and interest	(3,890,842,819)	-	(27,295,616)	(3,918,138,435)
Financial assets derecognized during the period	(4,311,372,292)	(680,001)	(16,292,446)	(4,328,344,739)
Write-offs and other movements	-	-	(39,054,312)	(39,054,312)
Gross carrying amount as at December 31, 2024	₹5,434,509,285	₹3,247,060	₹120,926,935	₹5,558,683,280

	2023			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Gross carrying amount as at January 1, 2023	₹3,324,070,628	₹3,079,605	₹105,674,280	₹3,432,824,513
Transfers:				
Transfer from Stage 1 to Stage 2	(1,722,219)	1,722,219	-	-
Transfer from Stage 1 to Stage 3	(71,676,486)	-	71,676,486	-
Transfer from Stage 2 to Stage 1	56,744	(56,744)	-	-
Transfer from Stage 2 to Stage 3	-	(2,193,105)	2,193,105	-
Transfer from Stage 3 to Stage 1	506,675	-	(506,675)	-
Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	10,736,308,226	-	-	10,736,308,226
Collections of principal and interest	(6,344,234,476)	-	(23,311,374)	(6,367,545,850)
Financial assets derecognized during the period	(3,265,594,651)	-	(27,992,341)	(3,293,586,992)
Write-offs and other movements	-	-	(43,918,658)	(43,918,658)
Gross carrying amount as at December 31, 2023	₹4,377,714,441	₹2,551,975	₹83,814,823	₹4,464,081,239

The movements in gross carrying amount of agricultural-agrarian loans (including accrued receivable) between stages follow:

	2024			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Gross carrying amount as at January 1, 2024	₹1,102,148,369	₹-	₹22,274,911	₹1,124,423,280
Transfers:				
Transfer from Stage 1 to Stage 2	(38,575)	38,575	-	-
Transfer from Stage 1 to Stage 3	(31,524,988)	-	31,524,988	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 1	4,705	-	(4,705)	-
Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	1,445,582,910	-	-	1,445,582,910
Collections of principal and interest	(303,713,758)	-	(6,837,273)	(310,551,031)
Financial assets derecognized during the period	(1,090,238,473)	-	(2,887,678)	(1,093,126,151)
Write-offs and other movements	-	-	(9,410,887)	(9,410,887)
Gross carrying amount as at December 31, 2024	₹1,122,220,190	₹38,575	₹34,659,356	₹1,156,918,121

	2023			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Gross carrying amount as at January 1, 2023	₱916,523,864	₱–	₱36,986,562	₱953,510,426
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	(20,527,418)	–	20,527,418	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	153,922	–	(153,922)	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased	2,812,198,410	–	–	2,812,198,410
Collections of principal and interest	(1,699,830,486)	–	(6,866,199)	(1,706,696,685)
Financial assets derecognized during the period	(906,369,923)	–	(8,203,954)	(914,573,877)
Write-offs and other movements	–	–	(20,014,994)	(20,014,994)
Gross carrying amount as at December 31, 2023	₱1,102,148,369	₱–	₱22,274,911	₱1,124,423,280

The movements in gross carrying amount of Islamic loans between stages follow:

	2024			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Gross carrying amount as at January 1, 2024	₱–	₱–	₱–	₱–
Transfers:				
Transfer from Stage 1 to Stage 2	(10,000)	10,000	–	–
Transfer from Stage 1 to Stage 3	(265,095)	–	265,095	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased	87,615,632	–	–	87,615,632
Collections of principal and interest	(40,988,062)	–	–	(40,988,062)
Financial assets derecognized during the period	–	–	–	–
Write-offs and other movements	–	–	–	–
Gross carrying amount as at December 31, 2024	₱46,352,475	₱10,000	₱265,095	₱46,627,570

While the Bank recognizes through the statements of income the movements in the expected credit losses computed using the models, the Bank also complies with BSP's regulatory requirement to appropriate a portion of its surplus at an amount necessary to bring at least the allowance for credit losses to 1.0% of all outstanding Stage 1 loan accounts. No surplus reserve for this purpose in 2024 and 2023. Allowance for credit losses for stage 1 loan accounts is equal to 1.0% in 2024 and 2023.

10. Investments in Associates

This account consists of:

	2024	2023
Investment in CARD MRI Rizal Bank, Inc.	₱932,695,400	₱748,435,016
Investment in MIDAS	3,369,390	2,251,659
	₱936,064,790	₱750,686,675

Presented below is the rollforward of investments in associates:

	2024	2023
Acquisition cost		
Balance at beginning of year, as previously reported	₱302,229,138	₱302,229,138
Additional investments during the year (Note 22)	–	–
	302,229,138	302,229,138
Accumulated equity in net earnings		
Balance at beginning of year	928,487,384	715,032,156
Share in net income of associates	279,066,838	213,455,228
	1,207,554,222	928,487,384
Accumulated equity in other comprehensive income (loss)		
Balance at beginning of year	(1,723,365)	3,818,135
Share in other comprehensive income of associates	(8,188,743)	(5,541,500)
	(9,912,108)	(1,723,365)
Dividends received		
Balance at beginning of year	(478,306,482)	(341,506,515)
Dividends	(85,499,980)	(136,799,967)
	(563,806,462)	(478,306,482)
	₱936,064,790	₱750,686,675

Investment in CMRBI

The Bank's investments in associates include the carrying value of its 40.7% interest in CARD MRI Rizal Bank, Inc. (CMRBI), formerly Rizal Bank, Inc. CMRBI is involved in the business of rural banking as defined in and authorized under RA No. 3779, as amended. CMRBI's primary activities include granting loans to small farmers and to deserving rural enterprises, as well as receiving deposits in accordance with the law. The primary place of business of CMRBI is at P. Guevarra St., Cor. Aguirre St., Brgy. Poblacion 2, Sta. Cruz, Laguna.

The following table illustrates the summarized financial information in the statements of financial position, statements of income and statements of comprehensive income and a net asset reconciliation of investment in CMRBI (amounts in millions):

	2024	2023
<i>Statements of Comprehensive Income</i>		
Revenues	₱2,726.2	₱2,358.5
Expenses	2,043.4	1,825.9
Net income	682.75	532.6
Other comprehensive income (loss)	(20.1)	(13.9)
Total comprehensive income	662.6	518.7
<i>Statements of Financial Position</i>		
Current assets	₱6,817.3	₱6,703.5
Non-current assets	663.4	197.0
Current liabilities	(5,128.9)	(3,561.0)
Non-current liabilities	–	(1,420.3)
Net assets	2,351.7	1,919.1
Bank's share in net assets in CMRBI	957.4	767.6

In 2024 and 2023, the Bank did not make additional investments to CMRBI.

Investment in Microfinance Information Data Sharing, Inc. (MIDAS, Inc.)

Investment in MIDAS represents the Bank's 15.5% ownership for interest in the Corporation.

The primary purposes of MIDAS are: (1) to engage in the business of collating, developing and analyzing credit information individuals, institutions and all types of business concerns; (2) develop and undertake the continuing exchange of credit information among its members and subscribers; (3) provide an impartial source of credit information for debtors, creditors and the public; (4) provide its members and subscribers credit reports and references covering, among others, company profiles, financial performance and conditions, management, debt record and operating data; (5) undertake industry and market studies and surveys in support of credit analysis, credit information generation and securities rating; and, (6) publish, print and distribute newsletters, journals, books, periodicals and other printed materials containing surveys, research, evaluation, data and other information useful to the business community. The primary place of business of MIDAS is at TSKI Corporate Office, National Highway, Brgy. Mali-ao, Pavia, Iloilo.

The following table illustrates the summarized financial information in the statements of financial position, statements of income and statements of comprehensive income and a net asset reconciliation of investment in MIDAS (amounts in millions):

Amounts in million	2024	2023
<i>Statements of Comprehensive Income</i>		
Revenues	₱15.93	₱9.27
Expenses	4.89	6.58
Net income	7.21	2.69
Other comprehensive income (loss)	—	—
Total comprehensive income	7.21	2.69
<i>Statements of Financial Position</i>		
Current assets	32.00	24.40
Non-current assets	0.78	0.38
Current liabilities	(1.21)	(0.69)
Non-current liabilities	—	—
Net assets	31.61	24.03
Bank's share in net assets in MIDAS	4.89	3.73

As at December 31, 2024 and 2023, there were no agreements entered into by the Bank and any of the associates that may restrict dividends and other capital distributions to be paid and the Bank has no share on commitments and contingencies of both associates. Both MIDAS and CMRBI are not listed on any public exchange and there are no quoted market prices available for their shares.

11. Property and Equipment

The composition of and movements in this account follow:

	Land	Building	Furniture, Fixtures and Equipment	Leasehold Improvements	Land Improvements	Transportation Equipment	Construction in Progress	Right-of-use Assets (Note 20)	Total
December 31, 2024									
Cost									
Balance at beginning of year	₱267,185,422	₱408,648,662	₱561,392,831	₱205,847,321	₱6,736,245	₱62,115,904	₱20,428,397	₱797,673,368	₱2,330,028,150
Additions	70,335,000	5,052,349	66,894,364	4,118,417	—	13,215,071	47,797,416	158,133,696	365,546,313
Disposals	—	(141,873)	(15,930,072)	—	—	(2,617,778)	—	—	(18,689,723)
Reclassification	(3,692,304)	34,434,407	—	14,693,963	—	—	(49,128,370)	—	(3,692,304)
Balance at end of year	333,828,118	447,993,545	612,357,123	224,659,701	6,736,245	72,713,197	19,097,443	955,807,064	2,673,192,436
Accumulated depreciation and amortization									
Balance at beginning of year	—	290,785,382	460,022,774	150,246,511	6,675,228	34,683,541	—	566,491,900	1,508,905,336
Depreciation and amortization	—	22,563,618	52,596,240	16,032,273	48,334	10,761,387	—	132,225,208	234,227,058
Disposals	—	(141,873)	(15,899,746)	—	—	(2,617,778)	—	—	(18,659,397)
Reclassification	—	(793,743)	—	793,743	—	—	—	—	—
Balance at end of year	—	312,413,384	496,719,268	167,072,527	6,723,562	42,827,148	—	698,717,108	1,724,472,997
Net book value	₱333,828,118	₱135,580,161	₱115,637,855	₱57,587,174	₱12,683	₱29,886,049	₱19,097,443	₱257,089,956	₱948,719,439
	Land	Building	Furniture, Fixtures and Equipment	Leasehold Improvements	Land Improvements	Transportation Equipment	Construction in Progress	Right-of-use Assets	Total
December 31, 2023									
Cost									
Balance at beginning of year	₱197,973,918	₱370,974,480	₱524,512,361	₱165,185,512	₱6,736,245	₱51,240,412	₱26,463,463	₱669,590,056	₱2,012,676,447
Additions	69,211,504	1,996,057	60,622,212	9,103,405	—	12,171,769	61,162,911	128,083,312	342,351,170
Disposals	—	—	(23,703,190)	—	—	(1,296,277)	—	—	(24,999,467)
Reclassification	—	35,678,125	(38,552)	31,558,404	—	—	(67,197,977)	—	—
Balance at end of year	267,185,422	408,648,662	561,392,831	205,847,321	6,736,245	62,115,904	20,428,397	797,673,368	2,330,028,150
Accumulated depreciation and amortization									
Balance at beginning of year	—	270,288,877	443,599,853	139,761,566	6,620,127	27,492,560	—	435,752,967	1,323,515,950
Depreciation and amortization	—	20,496,505	40,049,889	10,484,945	55,101	8,487,258	—	130,738,933	210,312,631
Disposals	—	—	(23,626,968)	—	—	(1,296,277)	—	—	(24,923,245)
Balance at end of year	—	290,785,382	460,022,774	150,246,511	6,675,228	34,683,541	—	566,491,900	1,508,905,336
Net book value	₱267,185,422	₱117,863,280	₱101,370,057	₱55,600,810	₱61,017	₱27,432,363	₱20,428,397	₱231,181,468	₱821,122,814

Depreciation and amortization presented in the statements of income follow:

	2024	2023
Property and equipment	₱234,227,060	₱210,312,629
Intangible assets (Note 12)	90,031	2,300,111
	₱234,317,091	₱212,612,740

Construction in progress represents the cost of materials, labor, and other capitalizable expenditures incurred in connection with leasehold improvements of bank premises under establishment or renovation. As of December 31, 2024, the leasehold improvements under construction pertain to the establishment of a branch and are estimated to be completed in June 2025. As of December 31, 2023, the leasehold improvements under construction pertain to the establishment of branches and were completed on January 8, 2024, February 5, 2024, April 29, 2024, June 23, 2024, and August 27, 2024.

There are no restrictions on the titles of the Bank's property and equipment and the Bank does not have any contractual commitments for the acquisition of property and equipment as of December 31, 2024 and 2023. Cost of fully depreciated still in use amounted to ₱0.7 billion and ₱0.7 billion in December 31, 2024 and 2023, respectively.

12. Other Assets

This account consists of:

	2024	2023
Financial assets		
Security deposits	₱30,852,930	₱32,059,374
Non-financial assets		
Land deposits	199,384,380	—
Stationeries and supplies	57,276,435	66,545,157
Prepaid expenses	37,225,988	56,685,784
Intangible assets	500	90,531
Others	6,540,796	5,706,550
	300,428,099	129,028,022
	₱331,281,029	₱161,087,396

Security deposits pertain to refundable deposits on the Bank's leased office spaces, and staff house premises and leased IT equipment with CLFC. Interest income from security deposits recorded under 'Miscellaneous income' in 2024 and 2023 amounted to ₱0.8 million (Note 18).

Land deposits pertains to deposits paid to seller of land in Makati City.

Intangible assets include purchased licenses and software.

Others pertain to artworks and paintings owned by the Bank.

The movements of intangible assets follow:

	2024	2023
Cost		
Balance at beginning of year	₱51,276,843	₱51,276,843
Reclassifications	—	—
Balance at end of year	51,276,843	51,276,843
Accumulated amortization		
Balance at beginning of year	51,186,312	48,886,201
Amortization (Note 11)	90,031	2,300,111
Balance at end of year	51,276,343	51,186,312
Net book value	₱500	₱90,531

13. Deposit Liabilities

The Bank's savings deposit liabilities include pledge savings amounting to ₱12.4 billion and ₱11.1 billion as at December 31, 2024 and 2023, respectively. These represent the aggregate compulsory savings of ₱50.0 per week collected from each member and earn an annual interest rate of 2.0% in 2024 and 2023. Under an assignment agreement, the pledge savings balances serve as security for loans granted by the Bank to its members. Pledge savings equivalent to 15.0% of the loan proceeds serves as guarantee fund of the outstanding loan receivable from members.

Savings deposits include regular and special savings deposit. Regular savings deposits include "Kayang-kaya", "Tagumpay", "Maagap", "Matapat", "Dollar" savings, and "Magalang Regular" savings. These savings accounts bear annual fixed interest rates ranging from 0.1% to 4.5% in 2024 and 2023. Special savings deposits include "Tiwala" and "Magalang deposit" savings with annual interest rates ranging from 1.8% to 4.5% in 2024 and 2023. Interest expense on deposit liabilities amounted to ₱383.0 million and ₱282.1 million in 2024 and 2023, respectively.

BSP Circular No. 1201 requires reserves against deposit liabilities. As at December 31, 2024 and 2023, due from BSP amounting to ₱228.7 million and ₱170.6 million, respectively, were set aside as reserves for deposit liabilities per latest report submitted by the Bank to the BSP. As at December 31, 2024 and 2023, the Bank is in compliance with such regulation.

14. Bills Payable

The movements in the account follow:

	2024	2023
Face value		
Balance at beginning of year	₱50,000,000	₱200,000,000
Availments	110,000,000	50,000,000
Principal payments	(50,000,000)	(200,000,000)
Balance at end of year	110,000,000	50,000,000

(Forward)

	2024	2023
Unamortized transaction costs		
Balance at beginning of year	(P166,251)	(P618,578)
Availments	(239,472)	(166,251)
Amortization	166,251	618,578
Balance at end of year	(239,472)	(166,251)
Carrying value	P109,760,528	P49,833,749

Bills payable of P109.8 million and P49.8 million as at December 31, 2024 and 2023, respectively, pertain to promissory notes obtained from various local banks for working capital requirements with a tenor of one (1) month and six (6) months in 2024 and 2023, respectively, and annual interest rates of 6% and ranging from 4.5% to 6.5% in 2024 and 2023, respectively.

Receivable from borrowers, particularly microfinance loans amounting to P0.2 billion and P0.1 billion secure the above borrowings as at December 31, 2024 and 2023, respectively. (Note 9).

The Bank has undrawn credit line amounting to P2.0 billion and P1.9 billion in 2024 and 2023, respectively.

Interest expense recognized in the statements of income amounted to P1.0 million and P2.8 million in 2024 and 2023, respectively. Unpaid interest as at December 31, 2024 and 2023 amounted to P0.4 million and P0.1 million, respectively, is presented under 'Accrued interest on bills payable' (Note 15).

15. Other Liabilities

This account consists of:

	2024	2023
Financial liabilities		
Lease liabilities (Note 20)	P264,865,564	P229,096,397
Deposit for stock subscription	250,886,800	–
Accrued interest on deposit liabilities (Note 22)	186,988,469	151,346,126
Accounts payable (Note 22)	156,429,115	95,914,936
Dividends payable (Notes 17 and 22)	39,352,234	55,791,661
Accrued expenses	37,619,772	102,600,186
Refundable deposits	715,135	604,235
Accrued interest on bills payable (Note 14)	408,333	117,361
	937,265,422	635,470,902
Nonfinancial liabilities		
Accrued taxes	138,843,389	120,653,576
Accrued vacation leaves	45,156,718	36,592,724
Withholding taxes payable	19,265,508	14,751,018
	203,265,615	171,997,318
	P1,140,531,037	P807,468,220

Deposit for stock subscription pertains to payment of stockholders in relation to the application for increase in capital stock. The application was submitted to BSP on August 20, 2024, and approved by the latter on October 7, 2024. SEC approved the same on March 14, 2025

Accounts payable include due to suppliers and contractors, due to staff, due to Social Security System for collection remittances, Automated Teller Machine overages, statutory payables on employee compensation, and due to related parties (Note 22).

Accrued expenses include accrued rent, unpaid Philippine Deposit Insurance Corporation premium and other operating expenses.

Accrued taxes pertain to gross receipts taxes payable as of December 31, 2024 and 2023.

16. Maturity Analysis of Assets and Liabilities

The following table presents the Bank's assets and liabilities as at December 31, 2024 and 2023 analyzed according to when they are expected to be recovered or settled within one year and beyond one year from respective reporting date (in thousands):

	2024			2023		
	Within one year	Beyond one year	Total	Within one year	Beyond one year	Total
Financial Assets						
Cash and other cash items	P272,478	P–	P272,478	P238,493	P–	P238,493
Due from BSP	228,664	–	228,664	170,614	–	170,614
Due from other banks	4,981,730	–	4,981,730	2,066,396	–	2,066,396
Financial assets at FVOCI	1,116,504	1,047,850	2,164,354	261,116	1,749,922	2,011,038
Loans and receivables, net	16,847,546	17,575	16,865,121	15,657,799	16,791	15,674,590
Investment securities at amortized costs	195,909	2,744,943	2,940,852	46,725	2,844,579	2,891,304
Security deposits	–	30,853	30,853	–	32,059	32,059
Nonfinancial Assets						
Investments in associates	–	936,065	936,065	–	750,687	750,687
Property and equipment, net	–	948,719	948,719	–	821,123	821,123
Retirement asset	–	98,765	98,765	–	162,048	162,048
Deferred tax assets	–	148,394	148,394	–	99,599	99,599
Other assets	–	300,428	300,428	–	129,029	129,029
Total Assets	P23,642,831	P6,273,592	P29,916,423	P18,441,143	P6,605,837	P25,046,980

	2024			2023		
	Within one year	Beyond one year	Total	Within one year	Beyond one year	Total
Financial liabilities						
Deposit liabilities	P15,213,276	P2,841,688	P18,054,964	P14,475,788	P1,223,857	P15,699,645
Bills payable	109,761	–	109,761	49,834	–	49,834
Other liabilities:						
Lease liabilities	112,931	151,934	264,865	111,770	117,326	229,096
Deposit for future stock subscription	250,887	–	250,887	–	–	–
Accrued interest	16,180	171,217	187,397	4,800	146,663	151,463
Accounts payable	156,429	–	156,429	95,915	–	95,915
Dividends payable	39,352	–	39,352	55,792	–	55,792
Accrued expenses	37,620	–	37,620	102,600	–	102,600
Refundable deposits	–	715	715	–	604	604
Non-financial liabilities						
Income tax payable	628,440	–	628,440	351,889	–	351,889
Other liabilities:						
Accrued taxes	138,843	–	138,843	120,654	–	120,654
Accrued vacation leaves	–	45,157	45,157	–	36,594	36,594
Withholding taxes payable	19,266	–	19,266	14,750	–	14,750
Total Liabilities	P16,722,985	P3,210,711	P19,933,696	P15,383,792	P1,525,044	P16,908,836

17. Equity

Capital Stock

As at December 31, 2024 and 2023, the Bank's capital stock consists of:

	2024		2023	
	Shares	Amount	Shares	Amount
Preferred stock - ₱200 par value, 7,500,000 authorized shares				
Issued and outstanding				
Beginning of year	6,860,073	₱1,372,014,600	6,805,053	₱1,361,010,600
Issuance of shares of stocks	40,000	8,000,000	55,020	11,004,000
Preferred stock at the end of the year	6,900,073	1,380,014,600	6,860,073	1,372,014,600
Subscribed	6,900,073	1,380,014,600	6,900,073	1,380,014,600
Subscription receivable	—	—	(40,000)	(8,000,000)
	6,900,073	₱1,380,014,600	6,860,073	₱1,372,014,600
Common stock - ₱100 par value, 20,000,000 authorized shares				
Issued and outstanding				
Beginning of year	29,915,733	₱2,991,573,300	27,007,380	₱2,700,738,000
Issuance of shares of stocks	18,698	1,869,800	437,988	43,798,800
Stock dividends	—	—	2,470,365	247,036,500
Common stock at the end of the year	29,934,431	2,993,443,100	29,915,733	2,991,573,300
Subscribed	30,000,000	3,000,000,000	29,919,081	2,991,908,100
Subscription receivable	(65,569)	(6,556,900)	(3,348)	(334,800)
	29,934,431	₱2,993,443,100	29,915,733	₱2,991,573,300

Preferred has the following features: (a) 8.0% cumulative dividends, (b) non-participating, (c) non-redeemable, and (d) non-voting. As of December 31, 2024 and 2023, dividends amounted to ₱138.0 million and ₱165.7 million, respectively.

As of December 31, 2024, the Bank had outstanding subscriptions amounting to nil and ₱6.6 million for preferred and common stocks, respectively. As of December 31, 2023, the Bank had outstanding subscriptions amounting ₱8.0 million and ₱0.3 million for preferred and common stocks, respectively.

Dividend Declaration

2024 cash dividends

On April 19, 2024, the BOD declared cash dividends of 8.0% and ₱20.0 per share to its preferred and common stockholders, respectively, to stockholders of record as at December 31, 2023. Cash dividends declared amounting to ₱681.2 million were paid starting May 1, 2024 to preferred and common stockholders.

On July 20, 2024, the BOD declared cash dividends of 4.0% and ₱15.0 per share to its preferred and common stockholders, respectively, to stockholders of record as at December 31, 2023. Cash dividends declared amounting to ₱503.9 million were paid starting August 1, 2024 to preferred and common stockholders.

2023 cash dividends

On March 18, 2023, the BOD declared cash dividends of 8.0% and ₱15.0 per share to its preferred and common stockholders, respectively, to stockholders of record as at December 31, 2022. Cash dividends declared amounting to ₱522.2 million were paid starting April 1, 2023 to preferred and common stockholders.

On September 16, 2023, the BOD declared cash dividends of 4.0% and ₱12.0 per share to its preferred and common stockholders, respectively, to stockholders of record as at December 31, 2022. Cash dividends declared amounting to ₱384.6 million were paid starting October 1, 2023 to preferred and common stockholders.

2023 stock dividends

On March 18, 2023, the BOD declared stock dividends of 9.0% per share to its common stockholders of record as at December 31, 2022. The Shareholders approved the declaration of stock dividend on March 18, 2023. Stock dividends declared amounting to ₱247.0 million were distributed starting April 1, 2023.

Capital Management

The Bank's capital management aims to ensure that it complies with regulatory capital requirements and it maintains strong credit ratings and healthy capital ratios in order to support and sustain its business growth towards maximizing the shareholders' value.

The Bank manages its capital structure and appropriately effect adjustment according to the changes in economic conditions and the risk level it recognizes at every point of time in the course of its business operations.

In order to maintain or adjust for good capital structure, the Bank carefully measures the amount of dividend payment to shareholders, call payment due from the capital subscribers or issue capital securities as necessary. No changes were made in the objectives, policies and processes from the previous years.

As of December 31, 2024 and 2023, the Bank issues two classes of capital stock, preferred and common stocks. The Bank considers its paid-up capital as capital as of year-end.

Regulatory Qualifying Capital

Under existing BSP regulations, the determination of the Bank's compliance with regulatory requirements and ratios is based on the amount of the Bank's unimpaired capital (regulatory capital) reported to the BSP, determined on the basis of regulatory accounting policies, which differ from PFRSs in some aspects. The computation of surplus available for dividend declaration in accordance with SEC Memorandum Circular No. 11 issued in December 2008 differs to a certain extent from the computation following BSP guidelines. As at December 31, 2024 and 2023, the Bank was in compliance with the risk-based capital adequacy ratio (CAR).

BSP Circular No. 688, Revised Risk-Based Capital Adequacy Framework for stand-alone thrift banks, rural banks and cooperative banks which took effect on January 1, 2012 represents BSP's commitment to align existing prudential regulations with international standards consistent with the BSP's goal of promoting the soundness and stability of individual banks and of the banking system as a whole. BSP Circular No. 688 replaced BSP Circular No. 280 which is primarily based on Basel I.

Under current banking regulations, the combined capital accounts of each bank should not be less than an amount equal to ten percent (10.0%) of its risk assets. The qualifying capital of the Bank for purposes of determining the capital-to-risk assets ratio to total equity excluding:

- unbooked valuation reserves and other capital adjustments as may be required by the BSP;
- total outstanding unsecured credit accommodations to directors, officers, stakeholders and DOSRI;
- deferred tax asset or liability; and
- other regulatory deductions.

Risk assets consist of total assets after exclusion of cash and other cash items, due from BSP, loans covered by hold-out on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits, and other non-risk items as determined by the Monetary Board of the BSP.

Under BSP Circular No. 360, effective July 1, 2003, the CAR is to be inclusive of a market risk charge. BSP Circular No. 560 dated January 31, 2007 which took effect on February 22, 2007, requires the deduction of unsecured loans, other credit accommodations and guarantees granted to subsidiaries and affiliates from capital accounts for purposes of computing CAR.

On October 9, 2014, the BSP issued Circular No. 854 which amends the provisions of the Manual of Regulations for Banks on the minimum capitalization of banks and on the prerequisites for the grant of authority to establish a branch. Based on this circular, the Bank is required to maintain a minimum capitalization of ₱400.0 million.

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including current year profit. The other component of regulatory capital is Tier 2 capital, which includes revaluation reserves. Certain adjustments are made to PFRSs-based results and reserves, as prescribed by the BSP.

The CAR of the Bank as at December 31, 2024 and 2023, as reported to the BSP, is shown in the table below (amounts in millions):

	2024	2023
Tier 1 capital	₱8,541.2	₱6,655.5
Tier 2 capital	633.7	758.8
Total qualifying capital	₱9,174.9	₱7,414.3
Risk-weighted assets	₱32,023.0	₱27,473.3
Tier 1 capital ratio	26.67%	24.23%
Tier 2 capital ratio	1.98%	2.76%
Total CAR	28.65%	26.99%

As at December 31, 2024 and 2023, the Bank's CAR and capital is in compliance with the regulatory requirements.

The Bank maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios adopted by the BSP in supervising the Bank.

Minimum Liquidity Ratio (MLR)

The Minimum Liquidity Ratio is expressed as a percentage of a covered institution's eligible stock of liquid assets to its total qualifying liabilities. The stock of liquid assets is required to be unencumbered and readily liquefiable, while the qualifying liabilities include both on-balance sheet and off-balance sheet commitments.

The Liquidity Coverage Ratio (LCR) for universal and commercial banks, which also applies to their subsidiary and affiliate thrift banks (TBs), rural banks (RBs), cooperative banks (CBs) and quasi-banks (QBs), is 90.0% beginning January 1, 2018 and 100.0% beginning January 1, 2023 onwards. Meanwhile, stand-alone TBs, RBs, CBs and QBs will be subject to a Minimum Liquidity Ratio of 20.0% starting January 1, 2023.

The Bank's MLR as at December 31, 2024 and 2023, as reported to the BSP, is shown in the table below (amount in millions):

	2024	2023
Stock of liquid assets	10,528.0	7,335.0
Qualifying liabilities	12,638.8	10,367.3
MLR	83.3%	70.8%

As at December 31, 2024 and 2023, the Bank's MLR is in compliance with the regulatory requirements.

Covered banks and quasi-banks are enjoined to consider the forthcoming regulatory changes in capital planning exercises and conduct preliminary assessments of the likely impact of the changes.

18. Miscellaneous Income and Expenses

Miscellaneous income consists of:

	2024	2023
Commission income	₱135,979,435	₱95,370,389
Recoveries of written-off account	95,644,662	116,634,191
Rental income (Note 20)	7,151,134	6,601,131
Deposit-related fees and other charges	1,503,915	3,263,959
Gain on disposal of property and equipment and supplies	188,309	224,328
Others (Notes 12 and 22)	13,362,431	10,243,923
	₱253,829,886	₱232,337,921

Others include service charges on remittances, security deposit, forex gain/loss, and insurance claims for transportation equipment.

Miscellaneous expense consists of the following:

	2024	2023
Penalties and other charges	₱40,420,245	₱9,836,676
Advertising and promotions	12,285,043	6,659,742
Medical and other related expenses	9,374,050	6,316,639
Periodicals and Magazine	6,846,865	3,923,389
Banking Fee	3,899,672	4,555,540
Representation and entertainment	3,157,277	4,849,741
Others	22,052,947	35,426,806
	₱98,036,099	₱71,568,533

Others include notarial and other legal expenses, loss on asset disposal, foreign currency exchange loss, laundry expenses and other small value expenses that are non-recurring.

19. Retirement Benefits

The Bank, CARD MRI Development Institute, Inc. (CMDI), CARD Mutual Benefit Association (MBA), Inc., CARD SME Bank, Inc., CARD MRI Insurance Agency (CAMIA), Inc., CARD Business Development Service Foundation, Inc. (BDSFI), Inc., CARD MRI Information Technology, Inc. (CMIT), CARD Employees Multi-Purpose Cooperative (EMPC), Responsible Investments for Solidarity and Empowerment Financing Co. (RISE), BotiCARD Inc., CARD Leasing and Finance Corporation (CLFC), CMRBI, CARD, Inc. and Mga Likha ni Inay Inc. (MLNI), maintain a funded and formal non-contributory defined benefit retirement plan - the CARD MRI Multi-Employer Retirement Plan (MERP) - covering all of their regular employees and CARD Group Employees' Retirement Plan (Hybrid Plan) applicable to employees hired on or after July 1, 2016. MERP and Hybrid Plan comply with the requirements of RA No. 7641 (Retirement Pay Law).

MERP is valued using the projected unit cost method and is financed solely by the Bank and its related parties. MERP provides lump sum benefits equivalent to up to 120.0% of final salary for every year of credited service, a fraction of at least six (6) months being considered as one whole year, upon retirement, death, total and permanent disability, or voluntary separation after completion of at least one year of service with the participating companies.

Hybrid Plan provides a retirement benefit equal to 100.0% of the member's employer accumulated value (the Bank's contributions of 8.0% plan salary to Fund A plus credited earnings) and 100.0% of the Member's Employee accumulated value (member's own contributions up to 10.0% of plan salary to Fund B plus credited earnings), if any. Provided that in no case shall 100.0% of the Employee Accumulated Value in Fund A be less than 100.0% of plan salary for every year of credited service.

The latest actuarial valuation report covers reporting period as of December 31, 2024 and 2023.

Changes in net retirement asset in 2024 and 2023 are as follows:

2024														
Net benefit cost in statements of income*							Remeasurements in other comprehensive income							
							Return on plan assets (excluding amount included in net interest)	Experience adjustments	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Effect of asset ceiling		Contribution by employer	December 31
	January 1	Current service cost	Net interest	Subtotal	Transfer from the plan	Benefits paid						Subtotal		
Fair value of plan assets	₱802,820,408	₱–	₱49,454,164	₱49,454,164	(₱1,854,563)	(₱27,870,477)	(₱13,538,353)	₱–	₱–	₱–	₱–	(₱43,263,393)	₱40,233,387	₱849,244,566
Present value of defined benefit obligation	(615,988,264)	(47,286,995)	(37,698,482)	(84,985,477)	1,854,563	27,870,477	–	(73,686,415)	4,884,177	(1,546,749)	–	(40,623,947)	–	(741,597,688)
Effect of asset ceiling	(24,783,952)	–	(1,516,778)	(1,516,778)	–	–	–	–	–	–	17,419,228	17,419,228	–	(8,881,502)
Net retirement asset	₱162,048,192	(₱47,286,995)	₱10,238,904	(₱37,048,091)	₱–	₱–	(₱13,538,353)	(₱73,686,415)	₱4,884,177	(₱1,546,749)	₱17,419,228	(₱66,468,112)	₱40,233,387	₱98,765,376

*The net benefit cost is included in 'Compensation and benefits' in the statements of income

2023														
Net benefit cost in statements of income*						Remeasurements in other comprehensive income								
							Return on plan assets (excluding amount included in net interest)	Experience adjustments	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Effect of asset ceiling		Contribution by employer	
	January 1	Current service cost	Net interest	Subtotal	Transfer from the plan	Benefits paid						Subtotal		December 31
Fair value of plan assets	P757,777,860	P-	P55,686,086	P55,686,086	(P366,831)	(P21,255,304)	(P20,734,020)	P-	P-	P-	P-	(P42,356,155)	P31,712,617	P802,820,408
Present value of defined benefit obligation	(481,369,232)	(39,565,750)	(35,139,954)	(74,705,704)	366,831	21,255,304	-	(12,179,563)	(352,632)	(69,003,268)	-	(59,913,328)	-	(615,988,264)
Effect of asset ceiling	(62,238,293)	-	(4,543,395)	(4,543,395)	-	-	-	-	-	-	(41,997,736)	41,997,736	-	(24,783,952)
Net retirement asset	P214,170,335	(P39,565,750)	P16,002,737	(P23,563,013)	P-	P-	(P20,734,020)	(P12,179,563)	(P352,632)	(P69,003,268)	(P41,997,736)	(P60,271,747)	P31,712,617	P162,048,192

*The net benefit cost is included in 'Compensation and benefits' in the statements of income.

The maximum economic benefit of plan assets available is a combination of expected refunds from the plan and reduction in future contributions. The fair value of plan assets by each class as at the end of the reporting period are as follow:

	2024	2023
Cash and other cash items	₱101,569,650	₱94,411,680
Government securities	503,856,801	545,436,185
Other bonds	33,884,858	34,440,996
Loans and receivables	199,657,397	119,620,241
Other assets	10,275,860	8,911,306
Fair value of plan assets	₱849,244,566	₱802,820,408

All plan assets do not have quoted prices in an active market except for government securities. Cash and other cash items are deposited in reputable financial institutions and related parties and are deemed to be standard grade. Mutual fund, loans and receivables and other assets are unrated.

The plan assets have diverse investments and do not have any concentration risk other than those in government securities which are of low risk.

The overall investment policy and strategy of the Bank's defined benefit plans is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risk of the plans.

The cost of defined retirement plan as well as the present value of the defined benefit obligation is determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension for the defined benefit plans are shown below:

	2024	2023
Discount rates		
January 1	6.1%	7.3%
December 31	6.1%	6.1%
Future salary increases	5.0%	5.0%

The sensitivity analysis below has been determined based on reasonably possible changes (in basis points) of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming if all other assumptions were held constant:

	2024		2023	
	+100	-100	+100	-100
Discount rates	(₱71,547,980)	₱84,216,738	(₱59,296,020)	₱69,846,248
Future salary increases	84,302,975	(72,878,870)	69,932,009	(60,409,139)

As at December 31, 2024, the average duration of defined benefit obligations is 10.5 years.

Expected fund contribution in 2025 amounts to ₱43.5 million.

Shown below is the maturity analysis of the undiscounted benefit payments:

	2024	2023
Less than 1 year	₱58,506,250	₱48,405,916
More than 1 year to 5 years	257,277,214	218,956,767
More than 5 years to 10 years	377,527,554	335,680,060
More than 10 years to 15 years	599,128,216	451,500,456
More than 15 years to 20 years	755,758,308	556,171,991
More than 20 years to 25 years	770,188,521	639,959,474
More than 25 years	1,043,397,278	897,064,858

20. Leases

Bank as a lessee

Office spaces and staff house

The Bank leases the premises occupied by some of its branches in which lease payments are subjected to escalation clauses at 5.0% to 10.0% starting either on the second or third year of lease. The lease contracts are for the periods ranging from one (1) to ten (10) years and are renewable upon mutual agreement between the Bank and the lessors.

Transportation and IT equipment

The Bank leases transportation and IT equipment from CLFC. The lease contracts have a term of eighteen (18) months to twenty-four (24) months and eighteen months in 2024 and 2023, respectively.

The following are the amounts recognized in the statement of income:

	2024	2023
Depreciation expense of ROU assets (Note 11)	₱132,225,208	₱130,738,933
Interest expense on lease liabilities	14,558,888	11,992,157
Expenses relating to short-term leases and leases of low-value assets (included in general and administrative expenses)	75,875,708	78,005,473
Total amount recognized in statement of income	₱222,659,804	₱220,736,563

The rollforward analysis of lease liabilities follows:

	2024	2023
Balance at beginning of year	₱229,096,397	₱223,142,892
Addition	163,261,074	134,708,039
Termination	—	—
Interest expense	14,558,888	11,992,157
Principal payments	(142,050,795)	(140,746,691)
Balance at end of year	₱264,865,564	₱229,096,397

Shown below is the maturity analysis of the undiscounted lease payments:

	2024	2023
Less than 1 year	₱124,838,950	₱122,518,391
More than 1 years to 2 years	88,019,209	75,333,331
More than 2 years to 3 years	47,528,282	38,531,603
More than 3 years to 4 years	21,481,597	20,178,361
More than 4 to 5 years	6,163,951	7,898,402
More than 5 years	1,040,150	1,672,802

Bank as a lessor

The Bank earns income from leased office spaces to CARD MRI Information Technology (CMIT) and CARD MRI Property Management, Inc. (CMPMI). In 2024 and 2023, rental income recognized under 'miscellaneous income' in the statements of income amounted to ₱7.2 million and ₱6.6 million, respectively (Note 18).

21. Income Taxes

Under Philippine tax laws, the Bank is subject to percentage and other taxes as well as income taxes. Percentage and other taxes paid consist principally of gross receipts tax (GRT) and documentary stamp taxes presented as 'taxes and licenses' in the statements of income.

Income taxes include corporate income tax, as discussed below, and 20.0% final withholding tax on gross interest income from government securities and other deposit substitutes.

On March 26, 2023, the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law. This aimed to attract more investments and maintain fiscal prudence and stability in the Philippines. RA No.11534 or the CREATE Act introduced reforms to the corporate income tax and incentives systems.

Following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact to the Bank:

- Effective July 1, 2021, RCIT was reduced for domestic and resident foreign corporations from 30.0% to 25.0%. For domestic corporations with net taxable income not exceeding ₱5,000,000 and with total assets not exceeding ₱100,000,000 (excluding land on which the particular business entity's office, plant, and equipment are situated) during the year, RCIT rate is reduced to 20%.
- The bill also provides that effective July 1, 2021 to June 30, 2024, the MCIT will be lowered from 2.0% to 1.0%, starting July 1, 2024 MCIT reverted to 2.0%.
- Interest expense allowed as a deduction against taxable income shall be reduced by 20% of interest income subjected to final tax.

An optional standard deduction (OSD) equivalent to 40.0% of gross income may be claimed as an alternative deduction in computing for the RCIT. For the 2024 and 2023 RCIT computation, the Bank elected to claim itemized expense deductions instead of the OSD.

Current tax regulations also provide for the ceiling on the amount of entertainment, amusement and recreation (EAR) expense that can be claimed as a deduction against taxable income. Under the regulation, EAR expense allowed as a deductible expense is limited to the actual EAR paid or incurred but not to exceed 1.0% of the Bank's net revenue. The regulations also provide that MCIT

and NOLCO may be applied against the Bank's income tax liability and taxable income, respectively, over a three-year period from the year of inception.

The Bank's provision for income tax consists of:

	2024	2023
Current:		
RCIT	₱866,587,464	₱567,972,939
Final tax	77,580,650	74,047,537
	944,168,114	642,020,476
Deferred	(35,838,963)	96,375,733
	₱908,329,151	₱738,396,209

Components of net deferred tax assets are as follows:

	2024	2023
<i>Deferred tax asset</i>		
Allowance for credit and impairment losses	₱159,537,544	₱127,270,488
Lease liabilities	66,216,390	57,274,099
Accrued rent and vacation leave	11,289,180	9,148,181
Unrealized loss on financial assets at FVOCI	437,188	4,099,036
Unamortized past service cost	37,919	75,839
Unrealized foreign exchange loss	—	39,257
	237,518,221	197,906,900
<i>Deferred tax liability</i>		
Unrealized foreign exchange gain	(160,760)	—
Retirement asset	(24,691,344)	(40,512,048)
Right-of-use assets	(64,272,489)	(57,795,367)
	(89,124,593)	(98,307,415)
	₱148,393,628	₱99,599,485

The income tax effect arising from retirement asset recognized in 2024 and 2023 in other comprehensive income amounted to a provision of ₱16.6 million and ₱15.1 million, respectively.

The income tax effect arising from unrealized losses on financial assets at FVOCI investments recognized in statements of other comprehensive income amounted to a benefit of ₱3.6 million and ₱8.3 million in 2024 and 2023, respectively.

As at December 31, 2024 and 2023, the Bank has no unrecognized deferred tax assets.

The reconciliation between the statutory income tax and effective income tax follow:

	2024	2023
Statutory income tax	₱993,816,543	₱798,735,158
Income tax effects of:		
Interest income subject to final tax	(43,410,417)	(29,300,362)
Non-taxable income	(69,766,710)	(53,363,807)
Non-deductible interest expense and other expenses	27,689,735	22,325,220
Provision for income tax	₱908,329,151	₱738,396,209

22. Related Party Transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercises significant influence over the other party in making financial and operating decisions. The Bank's related parties include:

- key management personnel, close family members of key management personnel and entities which are controlled, significantly influenced by or for which significant voting power is held by key management personnel or their close family members,
- post-employment benefit plans for the benefit of the Bank's employees, and
- other related parties within the CARD-MRI Group.

Transactions with Retirement Plans

Under PFRSs, certain post-employment benefit plans are considered as related parties. CARD-MRI's MERP is a stand-alone entity assigned in facilitating the contributions to retirement starting 2015. The plan assets are mostly invested in time deposits and special savings of related party banks and government bonds (Note 19). As of December 31, 2024 and 2023, the retirement funds do not hold or trade the Bank's shares of stock.

Remunerations of Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly. The Bank considers the members of the senior management to constitute key management personnel for purposes of PAS 24.

The compensation of key management personnel included under 'Compensation and benefits' in the statements of income are as follows (in millions):

	2024	2023
Short-term employee benefits	₱8.4	₱5.3
Post-employment benefits	14.7	9.2
	₱23.1	₱14.5

The Bank also provides banking services to directors and other key management personnel and persons connected to them. These transactions are presented in the tables that follow.

Other Related Party Transactions

Transactions between the Bank and its key management personnel meet the definition of related party transactions. Transactions between the Bank and related parties within the CARD-MRI Group, also qualify as related party transactions and will be settled in cash.

Deposit liabilities, accounts receivable, accounts payable and miscellaneous income

Deposit liabilities, accounts receivable, accounts payable and miscellaneous income held by the Bank for key management personnel, shareholder and other related parties as at December 31, 2024 and 2023 follow:

December 31, 2024			
Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Key Management Personnel			
Deposit liabilities		₱13,194,221	These are demand and savings accounts with annual interest rates ranging from 1.5% to 6.0%.
Deposits	₱42,795,079		
Withdrawals	38,083,700		
Dividends paid	12,230,545		Relates to common and preference shares of the Bank held by key management personnel
Shareholders			
Deposit liabilities		699,899,398	These are demand and savings accounts maintained by shareholders with the Bank with annual interest rates ranging from nil to 4.3%.
Deposits	7,861,270,264		
Withdrawals	8,364,843,817		
Accounts receivable		-	This amount represents the shareholders' share in expenses still payable to the Bank.
Share in expenses	831,815		
Collections	1,927,469		
Share in expenses	1,798,577		Pertains to dividends on common and preference shares of the Bank held by its shareholders
Remittances	2,301,390		
Dividends paid	1,047,167,835		
Rent expense	6,358,050		Certain establishments are being owned by shareholders leased to the Bank. The lease contracts have a three-year term with no escalation clause and five to six-year term with escalation clause of 10% every after 2 years.
Other related parties			
Financial assets at FVOCI		42,188,564	Pertains to investment in preferred shares of the Bank in CARD MRI Rizal Bank.
Dividend income	85,499,980		Pertains to income received by the Bank from RBI as an associate

December 31, 2023			
Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Key Management Personnel			
Deposit liabilities		₱8,482,842	These are demand and savings accounts with annual interest rates ranging from 1.5% to 6.0%.
Deposits	₱47,186,085		
Withdrawals	47,979,464		
Dividends paid	10,851,048		Relates to common and preference shares of the Bank held by key management personnel
Shareholders			
Deposit liabilities		1,203,472,951	These are demand and savings accounts maintained by shareholders with the Bank with annual interest rates ranging from nil to 4.3%.
Deposits	13,805,231,206		
Withdrawals	12,601,758,255		
Accounts receivable		1,095,654	This amount represents the shareholders' share in expenses still payable to the Bank.
Share in expenses	22,239,132		
Collections	21,143,478		
Accounts payable		502,833	This amount represents the Bank's share in expenses still payable to its shareholders.
Share in expenses	179,026,732		
Remittances	178,523,899		
Dividends paid	492,036,897		Pertains to dividends on common and preference shares of the Bank held by its shareholders
Rent expense	18,011,838		
Other related parties			
Financial assets at FVOCI		31,349,911	Pertains to investment in preferred shares of the Bank in CARD MRI Rizal Bank.
Dividend income	136,799,967		Pertains to income received by the Bank from RBI as an associate

Transitioned units from CARD, Inc. to the Bank were nil and 31 in 2024 and 2023. The BOD passed a resolution for the transition of the units from CARD, Inc. after receipt of approval from the BSP to establish additional microfinance-oriented branches on June 13, 2023 with three (3) branches to be opened within one (1) year from date of approval.

Below is the percentage of total exposures to related parties as against capital:

Category	2024		2023	
	Net exposure	Ratio	Net exposure	Ratio
Key management personnel	₱13,194,221	0.0%	₱8,482,842	0.1%
Shareholders	699,899,398	7.0%	1,203,472,951	14.8%

23. Notes to Statements of Cash Flows

The following is the summary of non-cash activities in 2024 and 2023:

	2024	2023
Non-cash investing activity:		
Additions to property and equipment through lease contracts (Note 11)	₱158,133,696	₱128,083,312
Non-cash financing activities:		
Stock dividends paid – common stock	–	247,036,500

The following table shows the reconciliation analysis of liabilities and equity arising from financing activities for the year ended December 31, 2024 and 2023, respectively:

	2024				Total
	Bills payable (Note 14)	Lease liabilities (Notes 15 and 20)	Deposit for future stock subscription (Notes 15 and 17)	Dividends payable (Notes 15 and 17)	
Balances as of January 1, 2024, as reported	₱49,833,749	₱229,096,397	₱–	₱55,791,661	₱334,721,807
Cash flows	59,760,528	(142,050,795)	250,886,800	(1,033,012,189)	(1,033,012,189)
Non-cash items					
Cash dividend declaration	–	–	–	1,185,169,295	1,185,169,295
New lease contracts entered during the year	–	163,261,074	–	–	163,261,074
Amortization of discount of bills payables	166,251	–	–	–	166,251
Amortization on interest expenses of lease liabilities	–	14,558,888	–	–	14,558,888
Balances as of December 31, 2024	₱109,760,528	₱264,865,564	₱250,886,800	₱39,352,234	₱664,865,126

	2023				Total
	Bills payable (Note 14)	Lease liabilities (Notes 15 and 20)	Deposit for future stock subscription (Notes 15 and 17)	Dividends payable (Notes 15 and 17)	
Balances as of January 1, 2023, as reported	₱199,381,422	₱223,142,892	₱–	₱60,531,213	₱483,055,527
Cash flows	(150,166,251)	(140,746,691)	–	(911,578,100)	(1,202,491,042)
Non-cash items					
Cash dividend declaration	–	–	–	906,838,548	906,838,548
New lease contracts entered during the year	–	134,708,039	–	–	134,708,039
Lease termination	–	–	–	–	–
Amortization of discount of bills payables	618,578	–	–	–	618,578
Amortization on interest expenses of lease liabilities	–	11,992,157	–	–	11,992,157
Balances as of December 31, 2023	₱49,833,749	₱229,096,397	₱–	₱55,791,661	₱334,721,807

24. Approval for the Issuance of the Financial Statements

The accompanying financial statements of the Bank were approved and authorized for issue by the Bank's BOD on April 29, 2025.

25. Supplementary Information Required under Section 174 of the Manual of Regulations for Banks (MORB)

The Section 174 of the MORB, as amended on February 7, 2020, provides disclosure requirements to the audited financial statements, which are to be presented either (i) on specific notes to the financial statements, or (ii) in a separate note containing supplementary information as required by the BSP. This supplementary information is not a required disclosure under PFRSs.

In compliance with the requirements set forth by MORB Section 174, hereunder is the supplementary information:

Financial Performance

The following basic ratios measure the financial performance of the Bank:

	2024	2023
Return on average equity	33.8%	33.6%
Return on average assets	11.2%	10.3%
Net interest margin	32.9%	31.1%

Description of Capital Instrument Issued

As of December 31, 2024 and 2023, the Bank has two classes of capital stock, preferred and common stocks.

Significant Credit Exposures as to Industry/Economic Sector

As of December 31, 2024 and 2023, information on the concentration of gross loans and receivables as to industry follows (amounts in thousands):

	2024		2023	
	Amount	%	Amount	%
Other service activities	₱5,431,369	31.8	₱3,460,418	22.1
Agriculture, forestry and fishing	4,777,641	28.1	4,851,354	31.0
Wholesale and retail trade; repair of motor vehicles and motorcycles	4,354,076	25.6	5,433,239	34.7
Real estate activities	1,942,738	11.4	1,368,902	8.8
Manufacturing	362,636	2.1	405,614	2.6
Education	135,722	0.8	120,832	0.8
	₱17,004,182	100.0	₱15,640,359	100.0

The BSP considers, and it is the Bank's policy, that loan concentration of credit exists when the total loan exposure to a particular industry or economic sector exceeds 30.00% of total loan portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Breakdown of Total Loans as to Security

The following table shows the secured and unsecured portions of receivables from borrowers as of December 31, 2024 and 2023:

	2024		2023	
	Amount	%	Amount	%
Secured portion				
Deposit hold-out (Note 13)	₱3,674,423,375	21.61%	₱3,118,383,860	19.94%
Unsecured portion	13,329,758,769	78.39%	12,521,975,102	80.06%
	₱17,004,182,144	100.0%	₱15,640,358,962	100.0%

Breakdown of Total Loans as to Status and Security

According to BSP Circular 941 *Amendments to the Regulations on Past Due and Non-Performing Loans* effective January 1, 2018, loans shall be considered non-performing, even without any missed contractual payments, when it is considered impaired under existing accounting standards, classified as doubtful or loss, in litigation, and/or there is evidence that full repayment of principal and interest is unlikely without foreclosure of collateral, if any.

All other loans, even if not considered impaired, shall be considered non-performing if any principal and/or interest are unpaid for more than ninety (90) days from contractual due date, or accrued interests for more than ninety (90) days have been capitalized, refinanced, or delayed by agreement.

Generally, NPLs refer to loans whose principal and/or interest is unpaid for thirty days or more after due date or after they have become past due in accordance with existing BSP rules and regulations. This shall apply to loans that are payable in lump sum and loans that are payable in quarterly, semi-annual, or annual installments, in which case, the total outstanding balance thereof shall be considered nonperforming.

In the case of loans that are payable in monthly installments, the total outstanding balance thereof shall be considered nonperforming when three or more installments are in arrears.

In the case of loans that are payable in daily, weekly, or semi-monthly installments, the total outstanding balance thereof shall be considered nonperforming at the same time that they become past due in accordance with existing BSP regulations, i.e., the entire outstanding balance of the receivable shall be considered as past due when the total amount of arrearages reaches ten percent (10.00%) of the total receivable balance.

In the case of microfinance loans, past due/PAR accounts are considered as NPLs.

Information on the amounts of performing and non-performing loans (NPLs) and receivables (gross of allowance for impairment and credit losses) of the Bank are as follows:

	2024			2023		
	Performing	Non-Performing	Total	Performing	Non-Performing	Total
Loans and receivables						
Microfinance loans	₱9,953,223,187	₱448,232,411	₱10,401,455,598	₱9,891,048,753	₱331,866,241	₱10,222,914,994
Regular loans	5,385,926,853	64,468,118	5,450,394,971	4,287,874,677	59,834,810	4,347,709,487
Agricultural-agrarian loans	1,071,006,074	34,697,931	1,105,704,005	1,047,459,570	22,274,911	1,069,734,481
Islamic loans	46,352,475	275,095	46,627,570	—	—	—
	₱16,456,508,589	₱547,673,555	₱17,004,182,144	₱15,226,383,000	₱413,975,962	₱15,640,358,962

As of December 31, 2024 and 2023, secured and unsecured NPLs of the Bank follow:

	2024	2023
Secured	₱88,133,178	₱55,877,848
Unsecured	459,540,377	358,098,114
	₱547,673,555	₱413,975,962

Restructured loans as of December 31, 2024 and 2023 amounted to ₱0.1 million and ₱6.7 million, respectively. The Bank's loan portfolio includes non-risk loans as defined under BSP regulations totaling ₱13.0 billion and ₱13.0 billion as of December 31, 2024 and 2023, respectively.

Portfolio-at-risk (PAR)

In accordance with BSP regulations, the Bank considers a loan as part of portfolio-at-risk (PAR) when an installment payment that is past due for one day. As at December 31, 2024 and 2023, the Bank's PAR amounted to ₱0.61 billion and ₱0.77 billion, respectively.

Information on Related Party Loans

As required by BSP, the Bank discloses loan transactions with investees and with certain DOSRI. Existing banking regulations limit the amount of individual loans to DOSRI, 70.0% of which must be secured, to the total of their respective deposits and book value of their respective investments in the lending company within the Bank.

In the aggregate, loans to DOSRI generally should not exceed total equity or 15.0% of total loan portfolio, whichever is lower.

BSP Circular No. 423 dated March 15, 2004 amended the definition of DOSRI accounts. On October 8, 2010, BSP Circular No. 695 is issued to provide guidance on the definition of Related Interest. BSP Circular No. 749, dated February 6, 2012, provides that related party transactions are expected to cover a wider definition than DOSRI under existing regulations and a broader spectrum of transactions (i.e., not limited to credit exposures).

As at December 31, 2024 and 2023, DOSRI accounts under the existing regulations are shown in the table below (as reported to BSP):

	2024		2023	
	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loan)	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loan)
Total outstanding DOSRI loans	₱573,985	₱11,643,763	₱521,107	₱3,852,677
Percent of DOSRI/Related Party loans to total loan portfolio	0.0%	0.0%	0.0%	0.0%
Percent of unsecured DOSRI/Related Party loans to total DOSRI/Related Party loans	0.0%	0.0%	0.0%	0.0%
Percent of past due DOSRI/Related Party loans to total DOSRI/Related Party loans	0.0%	0.0%	0.0%	0.0%
Percent of non-performing DOSRI/Related Party loans to total DOSRI/Related Party loans	0.0%	0.0%	0.0%	0.0%

BSP Circular No. 560 provides that the total outstanding loans, other credit accommodation and guarantees to each of the bank's/quasi-bank's subsidiaries and affiliates shall not exceed 10.00% of the net worth of the lending bank/quasi-bank, provided that the unsecured portion of which shall not exceed 5.00% of such net worth. Further, the total outstanding loans, credit accommodations and guarantees to all subsidiaries and affiliates shall not exceed 20.00% of the net worth of the lending bank/quasi-bank; and the subsidiaries and affiliates of the lending bank/quasi-bank are not related interest of any director, officer and/or stockholder of the lending institution, except where such director, officer or stockholder sits in the BOD or is appointed officer of such corporation as representative of the bank/quasi-bank.

On May 12, 2009, BSP issued Circular No. 654 allowing a separate individual limit of twenty-five (25.00%) of the net worth of the lending bank/quasi-bank to loans of banks/quasi-banks to their subsidiaries and affiliates engaged in energy and power generation.

Aggregate amount of Secured Liabilities and Assets Pledged as Security

As of December 31, 2024 and 2023, the bank has no secured liabilities and assets pledged as security.

Nature and Amount of Contingencies and Commitments arising from Off-balance Sheet Items

As of December 31, 2024 and 2023, the bank has no outstanding contingencies arising from off-balance sheet items.

26. Supplementary Information Required under Revenue Regulations 15-2010

The components of 'Taxes and licenses' recognized in the statement of income for the year ended December 31, 2024, follow:

Gross receipt tax (GRT)	₱469,103,666
Documentary stamp tax (DST)	142,957,562
Business permits and licenses	18,506,449
Real property tax	4,728,990
Others	2,131,559
	₱637,428,226

GRT in 2024 consists of taxes on:

Interest income on loans	₱418,984,367
Other income	50,119,299
	₱469,103,666

DST in 2024 consists of taxes on special savings account, loans, and capital increase.

Withholding taxes in 2024 are categorized into:

Paid:	
Expanded withholding tax	₱23,496,411
Withholding taxes on compensation and benefits	20,402,842
Final withholding tax on interest expense and dividends declared	117,168,687
	161,067,940
Accrued:	
Expanded withholding tax	2,553,573
Withholding taxes on compensation and benefits	276,691
Final withholding tax on interest expense	16,435,244
	19,265,508
	₱180,333,448

Tax Assessment and Cases

Last September 29, 2023, the BIR rendered a letter of authority (LOA) to examine the books of accounts and other accounting records of the Bank for the taxable period January 1, 2021, to December 31, 2021. The Bank acknowledged receipt of the LOA and after succeeding submission of documents followed by the reconciliation and discussion on BIR National Office, the BIR issued Preliminary Assessment Notice on June 21, 2024, which the Bank settled on June 28, 2024.

As of December 31, 2024, the Bank has no ongoing LOA assessment from BIR.



Appendices

PRODUCT AND SERVICES

SAVINGS PRODUCTS

Product	Target	Value Proposition	Benefit Statement	Interest Rate
Pledge Savings	18-65 yrs.	Saving leading to CB stock ownership	Your gateway to CARD Bank ownership	2.00%
Kayang-Kaya	16 yrs .and up	Accessibility and affordability	Easy way to start saving	1.00%
Matapat	16 yrs. and up	Convenience and Accessibility	24/7 access to your savings	0.50%
Maagap	Below 16 yrs.	Affordable and fun way for kids to save	Build your child's saving habits early	1.00%
Tiwala	18 yrs. and up	Long term savings, high returns	Secured savings for a better future	Based on prevailing market rate
Tagumpay	18 yrs. and up	Habitual savings, Higher returns	Big dreams start with small savings	6.00%
Magalang	18 yrs. and up	Long term savings, high returns	Secured savings for Sr. Citizen's retirement fund	Based on prevailing market rate
Checking Account	18 yrs. and up, business operator	Easy payment for business transactions		1.00% for the interest-bearing account with maintaining balance of P20,000
Dollar Account	18 yrs. old and up	For investment		0.25%

CONVENTIONAL LOAN PRODUCTS

A. Microfinance Loans

As a microfinance-oriented rural bank, CARD Bank offers microfinance loans which is primarily intended for the clients currently engaged and those who are willing to set-up livelihood or income-generating activities, enterprises, or businesses. Different microfinance loan products were developed pursuant to BSP regulatory guidelines and offered to qualified microfinance clients to fully respond to the needs of the clients. MF Loan products are as follows:

- **MF-Sikap Loan** - intended for business or enterprises of the microfinance clients such as but not limited to working capital, purchase of equipment and assets for use in the business, buying of raw materials, etc.
- **MF-Sikap-GLIP** - intended to assist business or enterprises of GLIP members such as but not limited to working capital, purchase of equipment and assets for use in the business, buying of raw materials, etc.
- **MF-Microfinance Plus** - intended for Microfinance clients who have demonstrated success in managing their businesses and will be needing loans above P150,000.00
- **MF-Sipag Loan** - intended for small entrepreneurs needing loan facility to support their expanding business operations.
- **MF-Micro Agri Loan** - intended to microfinance clients as additional capital in the implementation of their agricultural and other Agri-Agra related businesses.
- **MF-Special Agri Loan** - aims to grant agricultural loans to satisfy the financing needs for working capital or fixed assets of the farm or related expenses for good clients that have proven track record with the institution.
- **MF-Micro Housing Loan** - offered to give comfort to the members and their family as shelter is considered primary needs of everyone.
- **MF-Special Liquidity Fund** - intended to support the liquidity of konek2CARD Agents and is intended as their revolving fund.

B. Small and Medium Enterprise Loans

To assist the microfinance clients who have demonstrated growth in terms of managing their businesses and showing potentials and indicators for expanding their businesses thereby needing loan amounts that are greater than Php300,000.00, an SME Loans were developed to respond to their needs. SME Loan products are as follows:

- **SME – Working Capital**
- **SME – Investment**

C. Other Loans

- **OL-Personal Loan** - intended for microfinance clients to provide them with flexible financial assistance that they can utilize for their own personal consumption.
- **OL-Cellphone Loan** - offered to microfinance clients for the purpose of acquiring mobile phone/cellphone unit to support the bank's implementation of its Mobile Financial Services.
- **OL-Health Loan** - intended for health insurance premium payment of members and savers who wants to avail insurance products or laboratory test for their continuous protection against un-expected circumstances such as sickness, loss of life and property, among others.
- **OL-Educational Loan** - intended to assist those members who have children but needs financial assistance to send them to school.
- **OL-Salary Loan** - intended to build and strengthen the relationship of the bank with different communities that it operates particularly municipal offices and private schools in the area with proven track record in managing salary loans with their employees.
- **OL-Calamity Loan** - intended to help our members whose households and businesses have been affected by calamities such as but not limited to typhoons, earthquakes, fires, floods, volcanic eruption, etc.
- **OL-Solar Loan** - intended to assist our clients in availing themselves of solar power equipment for their household use.
- **OL-Home Essential Loan** - intended to assist our clients to purchase home appliances, furniture, gadgets, solar units.

ISLAMIC BANKING PRODUCTS SERVICE

A. Islamic Financing Contract

1. **Murabahah Contract Financing** - Murabahah Contract Financing (cost plus margin sale agreement) is a form of Islamic financing contract where the Bank will directly pay cash to the seller for the goods or items purchased by the customer. The listing of goods/items to be purchased by the client are pre-identified which shall be attached to the financing contract.
2. **Mudarabah Contract Financing** - Mudarabah financing is a form of Islamic financing contract where one party provides the capital (Rabb al-Mal), while the other party provides expertise and manages the business (Mudarib). Profits are shared according to an agreed ratio, while losses are borne solely by the capital provider, unless the loss is due to negligence or misconduct by the Mudarib.
3. **Musharakah Contract Financing** - Musharakah Financing is a form of Islamic financing contract where the Bank and its client's cooperation in a contract is encouraged, both sharing the benefit and risks of loss. Both the Bank and client will agree on sharing of profit during validation of financing application or prior to the schedule of disbursement of Musharakah Financing.
4. **Kafalah Contract** - Kafalah means "guarantee". A contract of guarantee provided by one party to another where the guarantor (financing institution) is responsible for the payment of a debt or obligation owed to the beneficiary (customer). The bank offer Kafalah Contract financing to provide temporary financial relief for other consumption and personal necessity of clients, provided, that the purpose is allowed under the Shari'ah principles.

B. Islamic Savings/Deposit Products

1. **Wadiah Basic Savings** - Wadiah Basic Savings is designed to enable the members to save for their future. It is a type of savings account under guaranteed safe-custody (Wadiah Yad Dhamanah) principle. Also, this is the only way client (members) can acquire shares of stocks of CARD Bank to realize the mission of the CARD Bank being owned and controlled by majority of CARD members.
2. **Wadiah Regular Savings** - A type of deposit which is for safekeeping only. It can be withdrawn anytime. The bank renders service as a safekeeper of client's funds. However, the bank may give voluntarily a gift (Hiba) to accountholders depending on the result of operations of the Bank.
3. **Wadiah ATM Savings** - A type of deposit which is for safekeeping only. It can be withdrawn anytime thru automated tellers machine using their ATM cards. The bank renders service as a safekeeper of client's funds.

OTHER PRODUCTS AND SERVICES

A. Remittance Program

Another service of CARD Bank is the remittance program that provides local and international money transfer in partnership with other banks and service providers.

1. CARD Sulit Padala

CARD Sulit Padala serves as the flagship remittance services of the bank. This service was conceptualized in June 2006 because of monitoring visits to Marinduque. In one of the monitoring, many members have expressed their need for CARD Bank assistance in remitting their money from Marinduque going to their family members and relatives residing in other provinces specifically in Metro Manila. With this experience, the bank has immediately developed a remittance service such that all branches and banking offices of CARD Bank can immediately facilitate the transfer of funds at the most affordable rate.

To further improved CARD Sulit Padala remittance services, it was also offered by related financial institutions of CARD MRI (e.g. CARD SME Bank, CARD MRI RBI CARD, Inc.) which eventually increase the number of outlets where client can send and receive their remittances.

2. Partnership Remittance Services (Local and International)

Aiming to expand the operation of remittance services and reach every corner of the Philippines where CARD Sulit Padala remittance services do not have presence yet, the Bank have collaborated with different remittance service providers. With the request of other clients who work as Overseas Foreign Workers (OFW), remittance partnership was extended to those who have including international remittance services. List of partner remittances service providers are as follows:

1. Western Union (Domestic and International)
2. BDO Remittance (Domestic)
3. Express Money (Domestic)
4. MoneyGram
5. Transfast (International)
6. G-XCHANGE, Inc. (G-Cash) (Domestic)
7. Cebuana Pera Padala Service (Domestic)
8. Senda Remit (Domestic)

This is a global move of CARD Bank to provide multilateral services to perceived untouched market such as OFWs, local workers, pensioners and others who are using remittance to transfer cash. It also aims to encourage OFWs to remit savings at CARD bank in preparation for their homecoming where they can have funds to use should they decide to stay in the country and embark on entrepreneurial activities.

B. Cross-Selling of Micro-Insurance Products

1. CARD Mutual Benefit Association (CARD MBA) Products

The CARD-Members Mutual Fund (MMF) was established in 1994 and serves as insurance fund that provides for burial expenses and loan redemption in the event of death of the member and their families. Premiums consisted of the P5.00 weekly contribution for All Loan Insurance Package (modified Loan Redemption Fund); P15:00 for Life Insurance Program with Total and Permanent Disability, Accidental Death Motor-vehicle Accidental Hospitalization (MVAH); and the 1.5% Loan Redemption Fee (LRF) on all loans. In December 1996, it included a pension plan for older members who had been incapacitated by old age, and emergency medical assistance in the event of serious illness or injury.

CARD MBA is a Mutual Benefit Association formed to promote the welfare of marginalized women; to extend financial assistance to its members in the form of death benefits, medical subsidy, pension/retirement savings and loan redemption; and to actively involve its members in the direct management of the Association including formulation and implementation of policies and procedures geared towards sustainability and improved services.

a. List of Cross-sell MBA Products

1. Basic Life Insurance
2. Retirement Savings Fund
3. Credit Life Insurance
4. Basic Life Insurance Extension
5. Golden Life Insurance
6. Member Remitter Personal Accident Cover
7. Family Security Plan
8. AcciPlan

2. CARD Pioneer Microinsurance Inc. (CPMI) Products

In 2013, CARD and Pioneer joined together to provide microinsurance to socially- and-economically challenged families through CARD Pioneer Microinsurance, Inc. (CPMI). The collaboration creates a mark in history as it paved the way for the establishment of the very first microinsurance company in the Philippines.

CPMI plan to fill the gaps in the market through fearless and creative approaches in the distribution of microinsurance and retail products to get more and more Filipinos insured.

a. List of Cross-sell CPMI Products

1. SAGIP Plan
2. Kabuklod Plan
3. CARD Care
4. Emergency Room (ER) Care

C. Bills Payment Services

With the objective of providing full financial services to our clients, the Bank has entered into a collection agreement with different payment platform providers to bring bills payment services closer to the doorstep of our clients. Through the offering of this service, Bank has become a one-stop-shop where members can have all their financial transactions served. Following are the partners of the bank in the delivery of Bills Payment Services:

1. Bayad Center
2. Electronic Commerce Payments, Inc. (ECPay)
3. Digipay (for konek2CARD bills payment services)

Following are the major bills payment transactions that can be served by the bank.

1. Government Services (SSS, PhilHealth, Pag-Ibig, PRC, DFA, NBI, POEA, NSO, etc)
2. Telecommunications (PLDT, Smart, Sun, Globe, PT&T, Bayan, Clarktel, etc.)
3. Credit Cards (BPI, Metrobank, RCBC, Union Bank, Equicom, etc.)
4. Travel (PAL, Cebu Pacific, Zest Air, Air Asia, etc.)
5. Real Estate (Camella, Bria, Brittany, CrownAsia, Lumina, Rockwell land, etc.)
6. Electricity Company Providers
7. Water Utility Providers
8. Insurance, Preneed and Healthcare providers
9. Memorial Parks and Columbarium
10. Cable Providers
11. Schools
12. Others

D. Social Security System (SSS) Membership Application

To ensure that clients would have enjoy the SSS benefits, the Bank and Social Security System has entered into partnership agreement allowing the bank to act as SSS Agent that receive and screen SSS membership application of existing MF members, or to collect SS contribution payments, loan amortizations and miscellaneous payments.

PARTNERS

- BDO Unibank, Inc.
- CIS Bayad Center, Inc. (Bayad Center)
- Electronic Commerce Payments, Inc. (ECPAY)
- Pera Hub
- Transfast
- Western Union Network Company (Western Union)

OFFICE DIRECTORY

CARD Bank Head Office 35 P. Burgos corner Paulino St., San Pablo City, Laguna, Philippines

CARD Bank Executive Office 20 M.L. Quezon St., City Subdivision, San Pablo City, Laguna, Philippines

AGOO

Rosario 1	Brgy. Concepcion, Rosario, La Union
Agoo 1	Brgy. San Joaquin Norte, Agoo, La Union
Agoo 1B	Brgy. San Joaquin Norte, Agoo, La Union
Aringay 1	Block 6, Lot 6, Vista Del Rio, Poblacion, Aringay, La Union
Aringay 2	Brgy. San Eugenio, Aringay, La Union
Caba	Sobredillo, Caba, La Union
Rosario 1	Brgy. Concepcion, Rosario, La Union
Rosario 2	Poblacion West, Rosario, La Union
Sto. Tomas	Brgy. Patac, Sto. Tomas, La Union
Tubao	Brgy. Gonzales, Tubao, La Union

ALAMINOS

Bolinao 2	Germinal, Bolinao, Pangasinan
Alaminos 1	Corners C. P. Garcia & L. Rivera Sts., Poblacion, Alaminos City, Pangasinan
Alaminos 2	Corners C. P. Garcia & L. Rivera Sts., Poblacion, Alaminos City, Pangasinan
Burgos	Sitio Aludig, Poblacion, Burgos, Pangasinan
Bolinao 1	A. Celeste St., Germinal Bolinao, Pangasinan
Anda	Poblacion, Anda, Pangasinan
Agno	Poblacion East Agno, Pangasinan

AROROY

Mandaon 1	Brgy. Poblacion, Mandaon Masbate
Aroroy 1	Brgy. Poblacion, Aroroy, Masbate
Aroroy 3	Brgy. Poblacion, Aroroy, Masbate
Aroroy 5	Brgy. Malubi, Aroroy, Masbate
Baleno 1	Albao St. Poblacion, Baleno, Masbate
Mandaon 3	Purok 1, Cabitan, Mandaon, Masbate

Aroroy 4B
Mandaon 4
Baleno 2
Mandaon 1

ATIMONAN

Atimonan 1
Atimonan 2
Atimonan 1
Atimonan 3
Plaridel 1

BAGUIO

La Trinidad 4
La Trinidad 5
Baguio 8
Baguio 3
Baguio 4
Baguio 1
Baguio 7
Tuba
La Trinidad 4
La Trinidad 8
Baguio 2
Baguio 5
Baguio 6

BALANGIGA

Balangiga
Giporlos
Quinapondan
Gen MacArthur

BANGUED

Bucay
Bucay
Dolores
Bangued 2
Lagangilang
Bangued 1
Tayum
Manabo

BARLETA

SPC 9
SPC 4
SPC 11
SPC 2
San Pablo 5

Sitio Tank Farm, Brgy. Puro, Aroroy, Masbate
Brgy. Nailaban, Mandaon, Masbate
Licup St., Poblacion, Baleno, Masbate
Brgy. Poblacion, Mandaon Masbate

Doña Aurora St. Zone 1 Atimonan, Quezon
Doña Aurora St. Zone 1 Atimonan, Quezon
Doña Aurora St. Zone 1 Atimonan, Quezon
Doña Aurora St. Zone 1 Atimonan, Quezon
Paaralan, Plaridel, Quezon

Purok Dumilos Itogon, Benguet
No. 3 Crystal Cave, Purok 2, Bakakeng Central, Baguio City
#15 Palma St. Brgy. Palma-Urbano, Baguio City
#232 Camp 7, Baguio City
#15 Palma St. Brgy. Palma-Urbano, Baguio City
#15 Palma St. Brgy. Palma-Urbano, Baguio City
#15 Palma St. Brgy. Palma-Urbano, Baguio City
Lower Poblacion, Tuba, Benguet
Purok Dumilos Itogon, Benguet
Amocao, Bayabas Sablan Benguet
Ambuklao Road, Tiptopgibraltar, Baguio City
7003 Purok 7, Kias, Baguio, Benguet
Central Beckel La Trinidad Benguet

National Road, Corner Balintawak St., Brgy. 06, Balangiga, Eastern Samar
National Road, Corner Balintawak St., Brgy. 06, Balangiga, Eastern Samar
Brgy. 1, Poblacion, Quinapondan, Eastern Samar
Brgy. Sta. Cruz, Gen MacArthur, Eastern Samar

South Poblacion Bucay Abra
South Poblacion Bucay Abra
Brgy. Poblacion, Dolores, Abra
NMK Bldg. McKinley St., Zone 7, Bangued, Abra
Brgy. Poblacion, Lagangilang, Abra
NMK Bldg. McKinley St., Zone 7, Bangued, Abra
Poblacion, Tayum, Abra
San Ramon West, Manabo, Abra

Barleta St., Brgy. IV-C, (Pob.), San Pablo City, Laguna
Mercury St., ADB Subd., Brgy. Del Remedio, SPC
Barleta St., Brgy. IV-C, (Pob.), San Pablo City, Laguna
Barleta St., Brgy. IV-C, (Pob.), San Pablo City, Laguna
Hermanos Belen St., Brgy. III-A San Pablo City

BAROTAC

Barotac Nuevo 1
 Barotac Nuevo 2
 Pototan 2
 Dumangas
 Pototan 1

Baras, Dumangas, Iloilo
 Sto. Rosario St., Poblacion Ilaud, Zarraga, Iloilo
 Fernando Parcon Ward, Poblacion, Pototan, Iloilo
 Baras, Dumangas, Iloilo
 Brgy. Rumbang, Pototan, Iloilo

BAY

Los Baños South
 Bay 1
 Pila
 Bay 1
 Bay 2
 Bay 3
 Bay 4
 Calauan 1
 Calauan 2
 Calauan 3
 Calauan 3A
 Los Baños East
 Los Baños West
 Los Baños South
 Los Baños North
 Los Banos North B
 Victoria A
 Victoria B
 Pila

6648 National Road, Brgy. San Antonio, Los Baños, Laguna
 J.P. Rizal St., San Agustin, Bay Laguna
 Sta. Clara Sur, Pila, Laguna
 J.P. Rizal St., San Agustin, Bay Laguna
 J.P. Rizal St., San Agustin, Bay Laguna
 J.P. Rizal St., San Agustin, Bay Laguna
 J.P. Rizal St., San Agustin, Bay Laguna
 Road 3, Marfori Subdivision, Silangan, Calauan, Laguna
 Limdico St., Brgy. Balayhangin, Calauan, Laguna
 Road 3, Marfori Subd., Silangan, Calauan, Laguna
 Road 3, Marfori Subd., Silangan, Calauan, Laguna
 2851 National Road, Anos, Los Baños, Laguna
 National Highway, Brgy. Maahas, Los Baños, Laguna
 6648 National Road, Brgy. San Antonio, Los Baños, Laguna
 Carbern Village, Brgy. Anos Los Banos Laguna
 Carbern Village, Brgy. Anos Los Banos Laguna
 Brgy. Banca, Banca, Victoria
 Brgy. Banca, Banca, Victoria
 Sta. Clara Sur, Pila, Laguna

BAYBAY

Baybay 2
 Baybay 3
 Baybay 4

389 M. L. Quezon St., Zone 18, Brgy. Gregorio Loreto Sr., Baybay City, Leyte 6521
 389 M. L. Quezon St., Zone 18, Brgy. Gregorio Loreto Sr., Baybay City, Leyte 6521
 389 M. L. Quezon St., Zone 18, Brgy. Gregorio Loreto Sr., Baybay City, Leyte 6521

BORACAY

Boracay 1
 Caticlan
 Nabas
 San Jose

Poblacion, Nabas, Aklan
 Caticlan, Malay, Aklan
 Poblacion, Nabas, Aklan
 Ilaya, Poblacion, San Jose, Romblon

BORONGAN

Borongan 1
 Borongan 2
 Llorente
 Sulat

E. Cinco St., Brgy. C, Borongan City, Eastern Samar
 E. Cinco St., Brgy. C, Borongan City, Eastern Samar
 Aguinaldo St., Brgy. 10, Llorente E. Samar
 Loyola Heights (Poblacion), Sulat, Eastern Samar

CALAPAN

Calapan 1	162-A Bonifacio Drive, Ilaya Calapan City
Calapan 5	Biga, Calapan City, Oriental Mindoro
Baco 1	Poblacion, Baco, Oriental Mindoro
Baco 2	Purok Star Apple, Poblacion, Baco, Oriental Mdo.
Baco 3	Poblacion, Baco, Oriental Mindoro
Calapan 1	162-A Bonifacio Drive, Ilaya Calapan City
Calapan 2	162-A Bonifacio Drive, Ilaya Calapan City
Calapan 3	Brgy. Sta. Isabel, Calapan City, Oriental Mindoro
Calapan 4	Brgy. Bucayao, Calapan City
Calapan 5	Biga, Calapan City, Oriental Mindoro
Calapan 6	Comunal, Calapan City, Oriental Mindoro
Calapan 7	Comunal, Calapan City, Oriental Mindoro
Calapan 8	Comunal, Calapan, Oriental Mindoro
Calapan 9	Brgy. Sta. Isabel, Calapan City, Oriental Mindoro
Calapan 10	Provincial St., Bayanan II, Calapan City, Oriental Mindoro

CALAUAG

Buenavista 1	Don Mariano Uy St., Poblacion, Buenavista, Quezon
Calauag 1	De Claro St., Brgy. Pinagtalleran, Calauag, Quezon
Calauag 2	De Claro St., Brgy. Pinagtalleran, Calauag, Quezon
Calauag 3	De Claro St., Brgy. Pinagtalleran, Calauag, Quezon
Guinayangan	Brgy. Calimpak, Guinayangan, Quezon
Lopez	Brgy. Talolong, Lopez, Quezon
Lopez 2	Brgy. Magsaysay, Lopez, Quezon
Lopez 3	193 Dolores St., Brgy. Gomez, Lopez, Quezon
Buenavista 1	Don Mariano Uy St., Poblacion, Buenavista, Quezon
Buenavista 2	Brgy. Cadlit, Buenavista, Quezon
Sta. Elena 3	Brgy. Tabugon, Sta. Elena, Camarines Norte

CANDELARIA

San Juan 1B	Marasigan St. San Juan, Batangas
Candelaria 4	Bico Subd., Gate 1, Malabanan Norte, Candelaria, Qzn.
Candelaria 1	Gonzales St. Poblacion, Candelaria, Quezon
Candelaria 1	Gonzales St. Poblacion, Candelaria, Quezon
Candelaria 3	Dona Margarita Subd. Malabanban Norte, Candelaria, Quezon
Candelaria 4	Bico Subd., Gate 1, Malabanan Norte, Candelaria, Qzn.
San Juan 1B	Marasigan St. San Juan, Batangas
San Juan 5	Brgy. Laiya, ibabaw, San Juan, Batangas
Candelaria 2	Gonzales St. Poblacion, Candelaria, Quezon
Candelaria 6	Gonzales St. Poblacion, Candelaria, Quezon
San Juan 1	Marasigan St. San Juan, Batangas
Candelaria 3B	Dona Margarita Subd. Malabanban Norte, Candelaria, Quezon
Candelaria 2	Gonzales St. Poblacion, Candelaria, Quezon
San Juan 2	Park Subdivision, San Juan, Batangas
Candelaria 4	Bico Subd., Gate 1, Malabanan Norte, Candelaria, Qzn.

CANDON

Sta. Maria	Lambino Village, Poblacion, Sta. Maria, Davao Occidental
Sta. Maria	Lambino Village, Poblacion, Sta. Maria, Davao Occidental
Tagudin 1	Brgy. Rizal (Pob), Tagudin, Ilocos Sur
Sta. Cruz	Brgy. Poblacion Este, Santa Cruz, Ilocos Sur
Tagudin 2	Brgy. Jardin, Tagudin, Ilocos Sur
Narvacan 1	Brgy. Santa Lucia (Pob), Narvacan, Ilocos Sur
Narvacan 2	Brgy. Quinarayan, Narvacan, Ilocos Sur
Candon 2	Lock 6, San Juan St., San Jose, Candon City, Ilocos Sur 2710
Candon 1	Lock 6, San Juan St., San Jose, Candon City, Ilocos Sur 2710
Santiago	Brgy. Bigbiga, Santiago, Ilocos Sur

CATAINGAN

Cataingan 1	Gen. Luna St.,cor Mabini St. Poblacion Cataingan, Masbate
Placer 1	Daang Lungsod, Brgy. Poblacion, Placer, Masbate
Cataingan 2	Brgy. Curvada, Cataingan, Masbate
Cataingan 1	Gen. Luna St.,cor Mabini St. Poblacion Cataingan, Masbate
Cataingan 3	Brgy. Madamba, Cataingan, Masbate
Cataingan 4	Gen. Luna St.,cor Mabini St. Poblacion Cataingan, Masbate
Cataingan 6	Gen. Luna St.,cor Mabini St. Poblacion Cataingan, Masbate
Cataingan 2	Brgy. Curvada, Cataingan, Masbate
Cataingan 2	Brgy. Curvada, Cataingan, Masbate
Pio V. Corpuz 2	Sitio Tabuk, Brgy. Poblacion, Pio V. Corpus, Masbate
Esperanza	Abante Poblacion, Esperanza, Masbate
Placer 1	Daang Lungsod, Brgy. Poblacion, Placer, Masbate
Placer 2	Cartagena St. Villa Inocencio Placer, Masbate
Placer 3	Donato St., Brgy. Katipunan, Placer, Masbate
Placer 4	Balangawan St., Brgy. Katipunan, Placer, Masbate
Placer 2	Cartagena St. Villa Inocencio Placer, Masbate
Placer 3	Donato St., Brgy. Katipunan, Placer, Masbate
Pio V. Corpuz	Pio J. Avila St., Pob. P.V.C., Masbate

CATBALOGAN

Catbalogan 2	208 Curry Avenue, Brgy. 5, Catbalogan City, Eastern Samar
San Jorge	Brgy. Erenas, San Jorge, Samar
San Jorge	Brgy. Erenas, San Jorge, Samar

COTABATO

Cotabato 1	Sinsuat Avenue, Brgy. Rosary Heights VI, Cotabato City
Cotabato 1	Sinsuat Avenue, Brgy. Rosary Heights VI, Cotabato City
Cotabato 1	Sinsuat Avenue, Brgy. Rosary Heights VI, Cotabato City
Cotabato 1	Sinsuat Avenue, Brgy. Rosary Heights VI, Cotabato City
Cotabato 1	Sinsuat Avenue, Brgy. Rosary Heights VI, Cotabato City
Cotabato 3	Sinsuat Avenue, Brgy. Rosary Heights VI, Cotabato City
Cotabato 2	Sinsuat Avenue, Brgy. Rosary Heights VI, Cotabato City
Datu Odin Sinsuat	Brgy. Capiton, Datu Odin Sinsuat, Maguindanao Del Norte

CULASI

Barbaza
Culasi 1
Lauan
Pandan
Sebaste
Tibiao

Maghari St., Pob. Barbaza, Antique
Brgy. Centro Norte, Pandan, Antique
Piscador St., Poblacion, Laua-an, Antique
Brgy. Centro Norte, Pandan, Antique
Brgy. Abiera, Sebaste, Antique
Poblacion, Tibiao, Antique

DAET

Daet 1
Basud 1
Daet 4
Daet 2
Daet 2
Daet 3
Daet 1
Mercedes
Basud 1
Basud 1A
Basud 2

Superstore St., Central Plaza Mall Complex, Brgy. Lag-on, Daet, Camarines Norte
Mangcamagong Road, Brgy. Poblacion 2, Basud, Camarines Norte
Superstore St., Central Plaza Mall Complex, Brgy. Lag-on, Daet, Camarines Norte
Superstore St., Central Plaza Mall Complex, Brgy. Lag-on, Daet, Camarines Norte
Superstore St., Central Plaza Mall Complex, Brgy. Lag-on, Daet, Camarines Norte
Superstore St., Central Plaza Mall Complex, Brgy. Lag-on, Daet, Camarines Norte
Superstore St., Central Plaza Mall Complex, Brgy. Lag-on, Daet, Camarines Norte
Brgy. 2, Mercedes, Camarines Norte
Mangcamagong Road, Brgy. Poblacion 2, Basud, Camarines Norte
Mangcamagong Road, Brgy. Poblacion 2, Basud, Camarines Norte
Purok 3, San Felipe, Basud, Camarines Norte

DANAO

Danao 1
Carmen
Catmon
Compostela

756 Zamora St., Cogon West, Carmen, Cebu
756 Zamora St., Cogon West, Carmen, Cebu
Flores (Poblacion), Catmon, Cebu
Purok 1 & 2, Sitio Proper, Cogon, Compostela, Cebu

DAVAO

Agdao 1
Agdao 4
Ecoland
Ecoland
Boulevard
Bankerohan 2
Bankerohan 1
Bajada
Almendras

LDL Apartment, Soliman Blk 1, Tomas Monteverde, Davao City
Purok Belisario Village, Brgy. San Antonio, Agdao, Davao City
Blk. 2 - 35, Dove, Ecoland, Davao City
Blk. 2 - 35, Dove, Ecoland, Davao City
Cor. Anda Rizal St., Brgy. 3-A, Davao City
Cor. Anda Rizal St., Brgy. 3-A, Davao City
Cor. Anda Rizal St., Brgy. 3-A, Davao City
36-D Nedia St., Brgy. Obrero, Davao City
Cor. Anda Rizal St., Brgy. 3-A, Davao City

DIMASALANG

Cawayan 1
Uson 1
Cawayan 1
Dimasalang 1
Dimasalang 1
Dimasalang 1
Palanas 1
Palanas 2

Divisoria Cawayan, Masbate
Purok 2, Buenavista, Uson, Masbate
Divisoria Cawayan, Masbate
Alvarez St. Poblacion, Palanas, Masbate
Alvarez St. Poblacion, Palanas, Masbate
Alvarez St. Poblacion, Palanas, Masbate
Alvarez St. Poblacion, Palanas, Masbate
Nabangig, Palanas, Masbate

Cawayan 1
Cawayan 3
Cawayan 5
Cawayan 6
Uson 4
Uson 1
Uson 2
Uson 3
Cawayan 2
Cawayan 2
Cawayan 5
Cawayan 7

DOLORES

Dolores 1
Dolores 2
Dolores 3

ESTANCIA

Ajuy
Estancia 2
Lemery
Estancia 3A
San Dionisio
Sara
Estancia 3
Ajuy
Concepcion
Carles
Estancia 3
Carles 2

GASAN

Gasán 2
Gasán 1
Buenavista
Gasán 3
Buenavista A

GOA

Tinambac 1C
Goa 1
Lagonoy
Tigaon 3
Goa 3
Tinambac 1A
Tigaon 1B
Goa 4

Divisoria Cawayan, Masbate
Poblacion, Cawayan, Masbate
Brgy. Peña, Cawayan, Masbate
Brgy. Looc, Cawayan, Masbate
Brgy. Del Carmen, Uson, Masbate
Purok 2, Buenavista, Uson, Masbate
Purok 6, Brgy. Buenavista, Uson, Masbate
Brgy. Sawang, Uson, Masbate
Brgy. Malbug, Cawayan, Masbate
Brgy. Malbug, Cawayan, Masbate
Brgy. Peña, Cawayan, Masbate
Poblacion, Cawayan, Masbate

Bagong Anyo, Dolores Quezon
Bagong Anyo, Dolores Quezon
Bagong Anyo, Dolores Quezon

Sitio Dawis, Pob., Ajuy, Iloilo City
Brgy. Tabu-an, Estancia, Iloilo
Brgy. Poblacion South, East Zone, Lemery, Iloilo
Sitio Dawis, Pob., Ajuy, Iloilo City
Hacienda Conchita, San Dionisio, Iloilo
Cecilio Tady St. Poblacion Ilawod, Sara, Iloilo
Brgy. Tabu-an, Estancia, Iloilo
Sitio Dawis, Pob., Ajuy, Iloilo City
D.B. Onate Street, Poblacion, Concepcion, Iloilo
M. Bellosillo St., Poblacion, Carles, Iloilo
Brgy. Tabu-an, Estancia, Iloilo
777-A Brgy. Barosbos, Carles, Iloilo

San Jose St. Brgy. Uno, Gasan Marinduque
Cornelio Sadiwa St., Brgy. Tres, Buenavista, Marinduque
Cornelio Sadiwa St., Brgy. Tres, Buenavista, Marinduque
San Jose St. Brgy. Uno, Gasan Marinduque
Cornelio Sadiwa St., Brgy. Tres, Buenavista, Marinduque

Brgy. San Isidro, Poblacion, Tinambac, Camarines Sur
San Juan Evangelista St., Goa, Camarines Sur
Zone 1, San Rafael, Lagonoy, Camarines Sur
Brgy. San Francisco, Tigaon, Camarines Sur
San Juan Evangelista St., Goa, Camarines Sur
Brgy. San Isidro, Poblacion, Tinambac, Camarines Sur
Aguinaldo St., Poblacion, Tigaon, Camarines Sur
032 Real St. San Juan, San Jose, Camarines Sur

Lagonoy
Tinambac 1E
Tigaon 1
Sagnay
Siruma
Tinambac 1C
Goa 5
Tinambac 1D
Goa 1
Tigaon 3
Tigaon 3B
San Pascual
Caramoan
Tinambac 1B
Lagonoy 1B
Lagonoy 2
Goa 2
Binalay

GUIUAN

Guiuan 1
Guiuan 2
Mercedes
Salcedo

GUMACA

Macalelon
Gen. Luna
General Luna 2
Gumaca 1
Gumaca 2
Gumaca 3
Macalelon
Pitogo
Unisan A
Unisan B

ILOILO

Oton
Jaro 1
Mandurriao
Jaro 2
Iloilo 2
Iloilo 3
Leganes
Iloilo 1

Zone 1, San Rafael, Lagonoy, Camarines Sur
Brgy. San Isidro, Poblacion, Tinambac, Camarines Sur
Aguinaldo St., Poblacion, Tigaon, Camarines Sur
Brgy. San Antonio (Pob.), Sagnay, Camarines Sur
Brgy. Poblacion, Siruma, Camarines Sur
Brgy. San Isidro, Poblacion, Tinambac, Camarines Sur
San Juan Bautista, Goa, Camarines Sur
Brgy. San Isidro, Poblacion, Tinambac, Camarines Sur
San Juan Evangelista St., Goa, Camarines Sur
Brgy. San Francisco, Tigaon, Camarines Sur
Brgy. San Francisco, Tigaon, Camarines Sur
La Purisima (Pob.), Tinambac, Camarines Sur
Brgy. Tawog (Pob.), Caramoan, Camarines Sur
Brgy. San Isidro, Poblacion, Tinambac, Camarines Sur
Zone 1, San Rafael, Lagonoy, Camarines Sur
Zone 1, San Rafael, Lagonoy, Camarines Sur
San Juan Evangelista St., Goa, Camarines Sur
Binalay, Tinambac, Camarines Sur

Lugay St., Brgy. 4, Guiuan, Eastern Samar
Lugay St., Brgy. 4, Guiuan, Eastern Samar
Brgy. 2, Mercedes, Camarines Norte
Brgy. 2, Poblacion, Salcedo, Eastern Samar

Brgy Pinagbayanan, Macalelon Quezon
Brgy. 7, Poblacion, General Luna, Quezon
San Isidro Ilaya, General Luna, Quezon
M. L. Quezon St., Brgy. Maunlad, Gumaca, Quezon
M. L. Quezon St., Brgy. Maunlad, Gumaca, Quezon
M. L. Quezon St., Brgy. Maunlad, Gumaca, Quezon
Brgy Pinagbayanan, Macalelon Quezon
Brgy. Maaliw, Pitogo, Quezon
F. de Jesus Unisan, Quezon
F. de Jesus Unisan, Quezon

J.C. Zulueta St., Poblacion South, Oton, Iloilo
Niña Town House, Door 4, Las Palmas Subd., Brgy. Quintin Salas, Jaro, Iloilo City
No. 299 Borres Subd. R. Mapa St. Tabucan, Manduriao, Iloilo City
Blk. 3, Lot 7, Bankers Village VI, Brgy. Dungon B, Jaro, Iloilo City
Quezon St., Brgy. Sampaguaita, Iloilo City
Quezon St., Brgy. Sampaguaita, Iloilo City
San Vicente Leganes, Iloilo
Quezon St., Brgy. Sampaguaita, Iloilo City

Arevalo
Oton
Pavia
Cabatuan

Glory Ville Subd., J.V. Jocson St., Iloilo City
J.C. Zulueta St., Poblacion South, Oton, Iloilo
Maquiling St. Purok 2, Pavia, Iloilo
Zone 1, Rizal Ilawod St. Cabatuan, Iloilo

INFANTA

Infanta 5
Infanta 2
Infanta 4
Real 2
Infanta 1
Real 1
General Nakar 2
Infanta 5
General Nakar 1
Infanta 3

Purok Durian, Brgy. Gumian, Infanta, Quezon
Bonifacio St. Brgy. Polacion 1 Infanta Quezon
Purok Gitna, Brgy. Dinahican, Infanta, Quezon
Sitio Mahaba, Tignuan, Real, Quezon
Bonifacio St. Brgy. Polacion 1 Infanta Quezon
Brgy. Poblacion 61, Real, Quezon
Brgy. Poblacion, General Nakar, Quezon
Purok Durian, Brgy. Gumian, Infanta, Quezon
Sitio Loob, Brgy. Anoling, General Nakar, Quezon
Bonifacio St. Brgy. Polacion 1 Infanta Quezon

IRIGA

Nabua 4
Bato 1
Buhi 1
Nabua 1
Nabua 2
Nabua 4
Nabua 5
Baao 1
Baao 2
Iriga 1
Balatan 1
Balatan 2
Bato 1
Bato 2
Bato 2
Buhi 1
Buhi 2
Buhi 3
Iriga 2
Iriga 4

Brgy. San Juan (Pob.), Nabua, Camarines Sur
San Miguel, Bato, Camarines Sur
Buhi, Camarines Sur
Brgy. San Juan (Pob.), Nabua, Camarines Sur
Brgy. San Juan (Pob.), Nabua, Camarines Sur
Brgy. San Juan (Pob.), Nabua, Camarines Sur
Brgy. San Juan (Pob.), Nabua, Camarines Sur
Sta. Cruz, Baao, Camarines Sur
Brgy. San Nicolas, Baao, Camarines Sur
Brgy. Sta. Cruz Sur, Iriga City, Camarines Sur
Siramag, Poblacion, Balatan, Camarines Sur
Zone 4, Siramag, Balatan, Camarines Sur
San Miguel, Bato, Camarines Sur
Zone 3 Brgy. San Miguel, Bato, Camarines Sur
Zone 3 Brgy. San Miguel, Bato, Camarines Sur
Buhi, Camarines Sur
Zone 4, Infante Santa Clara, (Pob.), Buhi, Camarines Sur
Dulong Bayan, San Pedro, Buhi, Camarines Sur
Prima Bldg., Brgy. San Agustin, Iriga City, Camarines Sur
Prima Bldg., Brgy. San Agustin, Iriga City, Camarines Sur

JORDAN

Jordan 1
Buenavista
Nueva Valencia
Jordan 2

New Site, San Miguel, Jordan, Guimaras 5045
Cornelio Sadiwa St., Brgy. Tres, Buenavista, Marinduque
Brgy. Poblacion, Nueva Valencia, Guimaras
New Site, San Miguel, Jordan, Guimaras 5045

KABACAN

Matalam 1
Kabacan 1

Poblacion, Matalam, North Cotabato
National Highway, Rizal St., Kabacan, Cotabato 9407

Carmen
Mlang 1B
Matalam 1B
Mlang 1
Kabacan 2
Matalam 1

KIDAPAWAN

Kidapawan 1
Kidapawan 2
Kidapawan 3
Makilala

LA TRINIDAD

La Trinidad 1
La Trinidad 2
La Trinidad 7
Kapangan

LABO

Labo 2
Paracale 1
Labo 1
Labo 3
Labo 4
Labo 5
Labo 2
Labo 2B
Sta. Elena
Sta. Elena 2
Paracale 1
Paracale 2
Panganiban
Panganiban B
Capalonga

LAOAG

Laoag 4
Batac 2
Batac 2
Laoag 2
Laoag 3
Batac 1
Batac 3
Laoag 1
Dingras 1
San Nicolas 1
Dingras 1

756 Zamora St., Cogon West, Carmen, Cebu
Poblacion A, Mlang, North Cotabato
Poblacion, Matalam, North Cotabato
Poblacion A, Mlang, North Cotabato
Orchids St., Purok 1, Brgy. Poblacion, Carmen, North Cotabato
Poblacion, Matalam, North Cotabato

Brgy. Sibsisib, Tulunan, North Cotabato
Brgy. Poblacion, President Roxas, North Cotabato
National Highway, Poblacion, Antipas, Cotabato
Brgy. Poblacion, Makilala, North Cotabato

MA-104 Puguis Proper, Puguis, La Trinidad, Benguet
Boted Tawang, La Trinidad, Benguet
JB-012 Km 4, Pico, La Trinidad, Benguet
Brgy. Lomon Paykek, Kapangan, Benguet

Purok 2, Bagong Silang, Labo, Camarines Norte
Purok 3, Batobalani Paracale Camarines Norte
Purok 10, Brgy. Sta. Elena (Poblacion), Sta. Elena, Camarines Norte
Purok 1A, Brgy. Anahaw (Pob.), Camarines Norte
Tulay na Lupa, Labo, Camarines Norte
Purok 4, Bautista Street, Kalamunding Labo Cam Norte
Purok 2, Bagong Silang, Labo, Camarines Norte
Purok 2, Bagong Silang, Labo, Camarines Norte
Purok 10, Brgy. Sta. Elena (Poblacion), Sta. Elena, Camarines Norte
Santa Elena (Pob.), Santa Elena, Camarines Norte
Purok 3, Batobalani Paracale Camarines Norte
Purok 4, Tugos, Paracale, Camarines Norte
Parang Jose Panganiban, Camarines Norte
Parang Jose Panganiban, Camarines Norte
Poblacion, Capalonga, Camarines Norte

Brgy. Albano, Dingras, Ilocos Norte
Brgy. 7, Caunayan (Pob.), Batac, Ilocos Norte
Brgy. 7, Caunayan (Pob.), Batac, Ilocos Norte
Brgy. No. 48-A, Cabungaan North, Laoag City, Ilocos Norte
Gen. Segundo Avenue, Brgy. 13, Laoag City, Ilocos Norte 2900
Brgy. 5, Callaguip, Batac, Ilocos Norte
No. 2, Brgy. Ablan Poblacion (Labucan), Batac, Ilocos Norte
Gen. Segundo Avenue, Brgy. 13, Laoag City, Ilocos Norte 2900
Brgy. Madamba, Dingras, Ilocos Norte
San Marcos St., San Cayetano (Pob.), San Nicolas, Ilocos Norte
Brgy. Madamba, Dingras, Ilocos Norte

LAS PINAS

PLP 1	141 Quirino Avenue Daniel Fajardo Aldana Las Pinas City 1740
PLP 2	141 Quirino Avenue Daniel Fajardo Aldana Las Pinas City 1740
CAA 3	C – Naga Road, Pulang Lupa Dos, Las Piñas City
PLP 4	141 Quirino Avenue Daniel Fajardo Aldana Las Pinas City 1740
CAA 2	29 Bagong Lipunan St. CAA Compound PH-1, BF International Village, Las Pinas City

LEGAZPI

Daraga 1	091 P. Burgos St., Cor. A. Bonifacio St., Ilawod 3, Daraga, Albay
Daraga 1	091 P. Burgos St., Cor. A. Bonifacio St., Ilawod 3, Daraga, Albay
Daraga 2	Brgy. Anislag, Daraga (Locsin), Albay
Daraga 3	Purok 6, Busay, Daraga, Albay
Donsol	E. Hernandez St., Brgy. Rawis, Donsol, Sorsogon
Legaspi 1	151 Monreal St. Banuyo Pilar, Sorsogon
Legaspi 2	091 P. Burgos St., Cor. A. Bonifacio St., Ilawod 3, Daraga, Albay
Legaspi 2	091 P. Burgos St., Cor. A. Bonifacio St., Ilawod 3, Daraga, Albay
Legaspi 4	Purok 6, Busay, Daraga, Albay
Manito	J. Sañez St., Purok 1, It-ba, (Pob), Manito, Albay
Pilar	151 Monreal St. Banuyo Pilar, Sorsogon
Sto. Domingo	Del Rosario, Sto. Domingo, Legaspi City, Albay
Sto. Domingo	Del Rosario, Sto. Domingo, Legaspi City, Albay

LIBMANAN

Pamplona	San Vicente, Pamplona, Camarines Sur
Pamplona	San Vicente, Pamplona, Camarines Sur
Libmanan 2	Libod 2, Libmanan, Camarines Sur
Libmanan 1	Libod 2, Libmanan, Camarines Sur
Libmanan 1	Libod 2, Libmanan, Camarines Sur
Pamplona 2	Zone 2, Poblacion, Pamplona, Camarines Sur
Pasacao 1B	Sta. Rosa Del Norte, Pasacao, Camarines Sur
Pasacao	Sta. Rosa Del Norte, Pasacao, Camarines Sur
Pasacao 1B	Sta. Rosa Del Norte, Pasacao, Camarines Sur

LIGAO

Oas	Purok 4, Calzada, Oas, Albay
Pioduran	P2 Rizal St., Caratagan, Pioduran, Albay
Ligao 1	Purok 2, Mckinley St., Calzada, Ligao City, Albay
Ligao 3	Purok 2, Mckinley St., Calzada, Ligao City, Albay
Ligao 2	Purok 2, Mckinley St., Calzada, Ligao City, Albay
Polangui 1	Sapalicio St. Basud, Polangui, Albay
Polangui 2	Centro Occidental, Polangui, Albay
Polangui 3	Centro Occidental (Pob), Polangui, Albay
Oas	Purok 4, Calzada, Oas, Albay
Pioduran	P2 Rizal St., Caratagan, Pioduran, Albay
Libon	San Bartolome St., Zone II (Pob.), Libon, Albay
Camalig	Poblacion, Brgy. 1, Camalig, Albay

Camalig 2
Guinobatan 1
Guinobatan 2
Jovellar

LINGAYEN

Sual
Aguilar
Lingayen 1
Lingayen 2
Lingayen 3
Lingayen 4
Aguilar
Sual

LUCBAN

Mauban 2
Mauban 1
Sampaloc
Lucban 2
Tayabas

LUCENA

Lucena 1
Lucena 7
Pagbilao 1
Lucena 1
Lucena 5B
Pagbilao 1
Lucena 2A
Agdangan
Lucena 2B
Lucena 2C
Lucena 2D
Lucena 3
Lucena 5A
Lucena 6
Lucena 7
Padre Burgos
Lucena 1B
Pagbilao 2
Pagbilao 2B

MAASIN

Maasin
Padre Burgos
Matalom
Bato 1

Purok 2, Brgy. Ilawod, Camalig, Albay
Mabini St., Ilawod, Guinobatan, Albay
Mauraro, Guinobatan, Albay
Mabini, Jovellar, Albay

#93 Brgy. Tobuan, Labrador, Pangasinan
No. 4, Gen. Luna, Poblacion, Aguilar, Pangasinan
Alvear Street, West Poblacion Lingayen, Pangasinan
Malindong Binmaley Pangasinan
Alvear Street, West Poblacion Lingayen, Pangasinan
Alvear Street, West Poblacion Lingayen, Pangasinan
No. 4, Gen. Luna, Poblacion, Aguilar, Pangasinan
#93 Brgy. Tobuan, Labrador, Pangasinan

Macario St., Bagong Bayan (Pob.), Mauban, Quezon
Velarde Extension, Peñaloza St., Bagong Bayan, Poblacion, Mauban, Quezon
Brgy. Bayongon, Sampaloc, Quezon
216 A. Bonifacio St. Corner E. Cadavez St., Brgy. 3, Lucban, Quezon
32 AM, Regidor St. Tayabas City

49, Osmena St., Brgy. 1, Lucena City
National Road Prk, Dama De Noche, Mayao Silangan, Lucena City
Brgy. Ibabang Palsabangon, Pagbilao, Quezon
49, Osmena St., Brgy. 1, Lucena City
Purok 2, Ilaya, Dalahican, Lucena City
Brgy. Ibabang Palsabangon, Pagbilao, Quezon
J7 Bldg., Magallanes St., Cor. Granja St., Brgy. 7 (Pob), Lucena City
Brgy. Poblacion 2, Agdangan, Quezon
J7 Bldg., Magallanes St., Cor. Granja St., Brgy. 7 (Pob), Lucena City
J7 Bldg., Magallanes St., Cor. Granja St., Brgy. 7 (Pob), Lucena City
J7 Bldg., Magallanes St., Cor. Granja St., Brgy. 7 (Pob), Lucena City
049 Osmeña St., Cor. Barcelona St., Brgy. I, Lucena City, Quezon 4301
Purok 2, Ilaya, Dalahican, Lucena City
#237 National Road, Isabang, Lucena City
National Road Prk, Dama De Noche, Mayao Silangan, Lucena City
El Ruflor Bldg. Brgy. Poblacion Padre Burgos, Southern Leyte
049 Osmeña St., Cor. Barcelona St., Brgy. I, Lucena City, Quezon 4301
5675 ME Gen. Malvar St., Brgy. 6, Tambak, Pagbilao, Quezon
5675 ME Gen. Malvar St., Brgy. 6, Tambak, Pagbilao, Quezon

Tomas Oppus St., Brgy. Tagnipa, Maasin City, Southern Leyte
El Ruflor Bldg. Brgy. Poblacion Padre Burgos, Southern Leyte
Brgy. Sto. Nino Poblacion, Matalom, Leyte
San Miguel, Bato, Camarines Sur

MAHARLIKA

Alaminos 1
Alaminos 1B
SPC 7
SPC 8
Alaminos 1B

Corners C. P. Garcia & L. Rivera Sts., Poblacion, Alaminos City, Pangasinan
Room 6 Macasaet Building Del Pilar St. Alaminos Laguna
Maharlika Highway, Brgy. San Roque, San Pablo City, Laguna
Maharlika Highway, Brgy. San Roque, San Pablo City, Laguna
Room 6 Macasaet Building Del Pilar St. Alaminos Laguna

MAKATI

Makati 1
Makati 2
Makati 3
Makati 4
Makati 5

3-B, 3 JP Rizal Avenue, Brgy. Valenzuela, Makati City
3-B, 3 JP Rizal Avenue, Brgy. Valenzuela, Makati City
3-B, 3 JP Rizal Avenue, Brgy. Valenzuela, Makati City
3-B, 3 JP Rizal Avenue, Brgy. Valenzuela, Makati City
3-B, 3 JP Rizal Avenue, Brgy. Valenzuela, Makati City

MALALAG

Digos
Malalag 1
Malalag 1
Kiblawan
Hagonoy
Padada
Sulop
Sta. Maria

Purok Bangus, Dawis, Digos City, Davao del Sur
Purok Acacia, Brgy. Poblacion, Malalag, Davao del Sur 8010
Purok Acacia, Brgy. Poblacion, Malalag, Davao del Sur 8010
Dagohoy St., Poblacion, Kiblawan, Davao del Sur
Cavan St. Brgy. Poblacion, Hagonoy, Davao del Sur
828 Jose Abad Santos St., Quirino District, Poblacion, Padada, Davao del Sur
279 Lapu-Lapu St., Poblacion, Sulop, Davao del Sur
Lambino Village, Poblacion, Sta. Maria, Davao Occidental

MALITA

Don Marcelino
Malita 3
Malita 1
Malita 2

Kinanga, Don Marcelino, Davao Del Sur
Poblacion, Malita, Davao Occidental 8012
Kinanga, Don Marcelino, Davao Del Sur
Poblacion, Malita, Davao Occidental 8012

MAMBURAO

Mamburao 4
Sta. Cruz 1
Abra de Ilog 1
Sta. Cruz 2
Paluan
Mamburao 3
Sta. Cruz 3
Mamburao 2
Abra B
Mamburao 1

Brgy. Payompon, Occidental Mindoro
Brgy. Mulawin, Santa Cruz, Occidental Mindoro
Poblacion, Abra de Ilog, Occidental Mindoro
Brgy. Poblacion 2, Sta. Cruz, Occidental, Mdo
Pangilinan Extension, Brgy. VI, Paluan, Occidental Mindoro
Brgy. Payompon, Occidental Mindoro
Poblacion 2, Sta. Cruz, Occidental Mindoro
Brgy. Payompon, Occidental Mindoro
Poblacion, Abra de Ilog, Occidental Mindoro
Brgy. Payompon, Occidental Mindoro

MANDALUYONG

Mandaluyong 3
Mandaluyong 1
Mandaluyong 5
Mandaluyong 6
Mandaluyong 2

#469 Barangka Drive Plainview Mandaluyong City
#469 Barangka Drive Plainview Mandaluyong City
#469 Barangka Drive Plainview Mandaluyong City
#469 Barangka Drive Plainview Mandaluyong City
#469 Barangka Drive Plainview Mandaluyong City

MASBATE

Malinta A
Masbate 2
Masbate 1
Malinta A
Masbate 5
Malinta B
Masbate 3
Masbate 6
Masbate 3
Mobo 2
Mobo 1
Masbate 4

Lumbang St., Malinta, Masbate City, Masbate
M. L. Quezon St. Masbate, Masbate City
Purok 7, Brgy. Ibingay, Masbate City
Lumbang St., Malinta, Masbate City, Masbate
Lumbang St., Malinta, Masbate City, Masbate
Lumbang St., Malinta, Masbate City, Masbate
Brgy. Bolo, Masbate City, Masbate
M. L. Quezon St. Masbate, Masbate City
Brgy. Bolo, Masbate City, Masbate
Daanglungsod, Poblacion 1, Mobo, Masbate
112 Severo S. Castillo St. Poblacion, District #1, Mobo, Masbate
M. L. Quezon St. Masbate, Masbate City

MATI

Mati 1
Mati 2
Mati 3

Door 1 & 2, Ground Floor, JBIM – Rizal Extension Central, Mati City 8200
Door 1 & 2, Ground Floor, JBIM – Rizal Extension Central, Mati City 8200
Purok Mabuhay-A, San Roque, San Isidro, Davao Oriental

MATINA

Matina 3
Matina 2
Tugbok
Tugbok 1
Calinan
Calinan B
Marilog
Talomo
Toril 2
Toril 1
Matina 2
Matina 2
Matina 3

No.19 G/F BF Cor. Aries St. GSIS Heights Mc Arthur Highway, Matina Crossing, Davao City
No.19 G/F BF Cor. Aries St. GSIS Heights Mc Arthur Highway, Matina Crossing, Davao City
Purok 9, Champaca St., Brgy. Mintal, Tugbok District, Davao City
Purok 9, Champaca St., Brgy. Mintal, Tugbok District, Davao City
Aurora Quezon St., Calinan, Davao City
Aurora Quezon St., Calinan, Davao City
Sitio Marahan, Marilog District, Davao City
L9 B8 Carmelo Homes Puan ,Talomo , Davao City
Block 18, Lot 8, Don Lorenzo Subdivision, Upper Piedad, Toril, Davao City
San Nicolas, Daliao, Toril, Davao City
No.19 G/F BF Cor. Aries St. GSIS Heights Mc Arthur Highway, Matina Crossing, Davao City
No.19 G/F BF Cor. Aries St. GSIS Heights Mc Arthur Highway, Matina Crossing, Davao City
No.19 G/F BF Cor. Aries St. GSIS Heights Mc Arthur Highway, Matina Crossing, Davao City

MIAG-AO

Guimbal
Igbaras
Leon
Miag-ao
San Joaquin
Tigbauan

#6 Magsaysay St. Guimbal, Iloilo
Calvario St., Brgy. 4, Poblacion, Igbaras, Iloilo
Quezon St., Brgy. Sampaguita, Iloilo City
Quezon St., Brgy. Tacas (Pob), Miag-ao, Iloilo
Bonifacio St., Purok 5 (Pob.), San Joaquin, Iloilo
Tupan St., Brgy. 4, Tigbauan, Iloilo

MIDSAYAP

Libungan
Midsayap 1
Midsayap 3

Purok 2, Lucilla Village, Brgy. Poblacion, Libungan, North Cotabato
M.L. Quezon Avenue, Brgy. Poblacion 5, Midsayap, North Cotabato 9410
Quezon Blvd., Brgy. Poblacion 5, Midsayap, North Cotabato

Midsayap 4
Midsayap 3
Alamada
Libungan
Pigcawayan
Pigcawayan
Pigcawayan 2

M.L. Quezon Avenue, Brgy. Poblacion 5, Midsayap, North Cotabato 9410
Quezon Blvd., Brgy. Poblacion 5, Midsayap, North Cotabato
Purok 3, Mirasol, Alamada, North Cotabato
Purok 2, Lucilla Village, Brgy. Poblacion, Libungan, North Cotabato
Poblacion 2, Pigcawayan, North Cotabato
Poblacion 2, Pigcawayan, North Cotabato
Poblacion 2, Pigcawayan, North Cotabato

MILAGROS

Milagros 1
Balud 1
Milagros 1
Milagros 1
Milagros 4
Milagros 5
Balud 1
Balud 2
Balud 3
Balud 4

Magbalon St., Poblacion East, Milagros, Masbate
Poblacion, Balud, Masbate
Magbalon St., Poblacion East, Milagros, Masbate
Magbalon St., Poblacion East, Milagros, Masbate
Brgy. Narangasan, Milagros, Masbate
Magbalon St., Poblacion East, Milagros, Masbate
Poblacion, Balud, Masbate
Poblacion, Balud, Masbate
Poblacion, Balud, Masbate
Brgy. Calumpang, Balud, Masbate

MOGP OG

Mogpog 1
Mogpog 2
Mogpog 3
Boac 1
Boac 2
Boac 2

Market Site, Mogpog, Marinduque
Market Site, Mogpog, Marinduque
Market Site, Mogpog, Marinduque
88 Solas Place, Brgy. Tampus, Boac, Marinduque
Murallon, Boac, Marinduque
Murallon, Boac, Marinduque

MULANAY

Catanauan 1
Mulanay 1
Mulanay 2
Mulanay 3
Mulanay 4
Catanauan 1
Catanauan 3
Catanauan 5
Catanauan 5
San Narciso 1
San Narciso 2
San Narciso 3
San Andres
Catanauan 2

Brgy. 8 (Pob.), Catanauan, Quezon
San Narciso St., Poblacion I, Mulanay, Quezon
San Narciso St., Poblacion I, Mulanay, Quezon
San Narciso St., Poblacion I, Mulanay, Quezon
San Narciso St., Poblacion I, Mulanay, Quezon
Brgy. 8 (Pob.), Catanauan, Quezon
Brgy. 9 (Pob.), Catanauan, Quezon
Brgy. Madulao, Catanauan, Quezon
Brgy. Madulao, Catanauan, Quezon
Brgy. Pagkakaisa (Pob.) San Narciso, Quezon
Sitio Centro, Brgy. Abuyon, San Narciso, Quezon
Del Pilar St., Pagkakaisa, San Narciso, Quezon
Poblacion San Andres, Quezon
Brgy. 8 Catanauan, Quezon

NABUNTURAN

Mawab
Nabunturan 1

Purok 2, Poblacion, Mawab, Davao De Oro
Poblacion, Nabunturan, Compostela Valley 8800

Nabunturan 2
Nabunturan 3
Nabunturan 3
New Bataan

NAGA

Milaor
Calabanga 1
Calabanga 2
Camaligan
Gainza
Magarao
Milaor
Minalabac
Minalabac 2
Naga 1
Naga 2
Naga 4
San Fernando

Poblacion, Nabunturan, Compostela Valley 8800
Purok 2, Manat, Nabunturan, Compostela Valley
Purok 2, Manat, Nabunturan, Compostela Valley
Purok 3, Cabinuangan, New Bataan, Davao de Oro

Zone 4, Brgy. Sto. Domingo, Milaor, Camarines Sur
San Francisco, Calabanga, Camarines Sur
San Miguel, Calabanga, Camarines Sur
Espiritu St., Pangpang, Canaman, Camarines Sur
District I (Pob.), Gainza, Camarines Sur
Zone 7, San Isidro, Magarao, Camarines Sur
Zone 4, Brgy. Sto. Domingo, Milaor, Camarines Sur
Brgy. Borongborongan, Milaor, Camarines Sur
Irayang Solong, Minalabac, Camarines Sur
Peñafrancia St. Brgy. San Francisco Naga City
Peñafrancia St. Brgy. San Francisco Naga City
Peñafrancia St. Brgy. San Francisco Naga City
Brgy. Bonifacio, San Fernando, Camarines Sur

NAGCARLAN

Nagcarlan 2
Nagcarlan 1
Nagcarlan 4B
Nagcarlan 3
Nagcarlan 4
Nagcarlan 2
Rizal
Liliw
Liliw 1B

Regidor St., Poblacion 3, Nagcarlan, Laguna
Rizal Ave., Poblacion 2, Nagcarlan, Laguna 4000
F. Urrea St., Poblacion 1, Nagcarlan, Laguna
Rizal Ave., Poblacion 2, Nagcarlan, Laguna 4000
F. Urrea St., Poblacion 1, Nagcarlan, Laguna
Regidor St., Poblacion 3, Nagcarlan, Laguna
P. Guevarra St., West Poblacion, Rizal, Laguna
1177 Bonifacio St. Ilayang Palina Liliw Laguna
1177 Bonifacio St. Ilayang Palina Liliw Laguna

NAVAL

Naval
Biliran
Kawayan 2
Kawayan 1

Brgy. Atipolo, Naval, Biliran
Brgy. San Roque, Biliran, Biliran
National Highway, Poblacion, Culaba, Biliran
Balite, Kawayan, Biliran

PARANAQUE

Parañaque 3
Parañaque 1
Parañaque 2
Parañaque 5
Parañaque 6

Unit L, 5315, Col. E. De Leon St., Brgy. Sto. Niño, Parañaque City
Unit L, 5315, Col. E. De Leon St., Brgy. Sto. Niño, Parañaque City
#37-B, Michael Rua St., Better Living Subdivision, Brgy. Don Bosco, Parañaque City
Unit 162 Kingsland Bldg. Dr. A. Santos Ave. Brgy. San Isidro, Sucat, Parañaque City 1707
Unit 162 Kingsland Bldg. Dr. A. Santos Ave. Brgy. San Isidro, Sucat, Parañaque City 1707

PASAY

Pasay 1
Pasay 2
Pasay 6
Pasay 7
Pasay 4
Pasay 5

Blk. 7, Dolores St., A. Arnaiz Ave., Brgy. 66, Pasay City, Metro Manila
834 B. Vizcarra St. Brgy. 169, Pasay City
Unit 54 K. Don Carlos Revilla, Brgy. 146, Pasay City
Blk. 7, Dolores St., A. Arnaiz Ave., Brgy. 66, Pasay City, Metro Manila
Blk. 7, Dolores St., A. Arnaiz Ave., Brgy. 66, Pasay City, Metro Manila
Unit 11, Kalayaan Road, PNB Homes, Zone 20, Brgy. 201, Pasay City

PASSI

Dumarao	No. 22 Horison St. Poblacion Ilawod, Dumarao, Capiz
San Enrique	Palomo Arcade, Poblacion Ilaya, San Enrique, Iloilo
Calinog	Poblacion, Delgado, Calinog, Iloilo
Dueñas	Poblacion A, Dueñas, Iloilo
Dumalag	Poblacion Dumalag, Capiz
Tapaz	Poblacion, Ilawod, Tapaz, Capiz
Janiuay	Aquino Nobleza East, Janiuay, Iloilo
Passi 1	Santillan St., Poblacion Ilaya, Passi City, Iloilo
Passi 2	Santillan St., Poblacion Ilaya, Passi City, Iloilo
Passi 3	Santillan St., Poblacion Ilaya, Passi City, Iloilo
San Enrique	Palomo Arcade, Poblacion Ilaya, San Enrique, Iloilo
Tapaz	Poblacion, Ilawod, Tapaz, Capiz

PILI

Pili 1	National Hi-Way Brgy. Santiago Pili Cam. Sur
Ocampo 4	Zone 2, Poblacion East, Ocampo, Camarines Sur
Bula 1B	Bagumbayan, Bula, Camarines Sur
Pili 1	National Hi-Way Brgy. Santiago Pili Cam. Sur
Pili 2	National Hi-Way Brgy. Santiago Pili Cam. Sur
Pili 3	National Hi-Way Brgy. Santiago Pili Cam. Sur
Pili 6	National Hi-Way Brgy. Santiago Pili Cam. Sur
Bula 1	Bagumbayan, Bula, Camarines Sur
Bula 1B	Bagumbayan, Bula, Camarines Sur
Bula 2	Zone 2, Causip, Bula, Camarines Sur
Bula 3	Bagumbayan, Bula, Camarines Sur
Bula 3B	Bagumbayan, Bula, Camarines Sur
Pili 4	2-C Apartment, San Vicente (Pob), Pili, Camarines Sur
Ocampo 1	Poblacion West, Ocampo, Camarines Sur
Ocampo 2	Hanawan, Ocampo, Camarines Sur
Ocampo 3	Brgy. Poblacion Central, Ocampo Camarines Sur
Ocampo 4	Zone 2, Poblacion East, Ocampo, Camarines Sur
Pili 5	Zone 1, Sagrada, Pili, Camarines Sur

PINAMALAYAN

Pinamalayan 4	Quinabigan, Pinamalayan, Oriental Mindoro
Bansud 1	Poblacion, Bansud, Oriental Mindoro
Pinamalayan SALP	Mabini St., Zone 1, Pinamalayan, Oriental Mindoro
Gloria 1	Juan Luna St. Poblacion, Brgy. Maligaya, Gloria, Oriental, Mindoro
Pinamalayan 2	Mabini St., Zone 1, Pinamalayan, Oriental Mindoro
Pinamalayan 1	Mabini St., Zone 1, Pinamalayan, Oriental Mindoro
Gloria 2	Janda St., Poblacion, Brgy. Maligaya, Gloria, Oriental Mindoro
Gloria 4	Maligaya, Gloria, Oriental Mindoro
Pinamalayan 7	Mabini St., Zone 1, Pinamalayan, Oriental Mindoro
Bansud 2	Poblacion, Bansud, Oriental Mindoro
Bansud 3	Brgy. Poblacion, Bansud, Oriental Mindoro
Pinamalayan 5	Brgy. Sto. Niño, Pinamalayan Oriental Mindoro

Pinamalayan 3
Pinamalayan 6
Pinamalayan 4
Bansud 1
Gloria 3

PUERTO GALERA

Puerto Galera 1
Puerto Galera 3
Puerto Galera 2
San Teodoro

QUEZON

Alabat
Quezon 1
Quezon 2
Perez

ROXAS CAPIZ

Pres. Roxas
Pres. Roxas 2
Roxas 1
Panitan
Maayon
Pres. Roxas
Panay
Ivisan
Mambusao
Sigma

ROXAS MINDORO

Bulalacao
Bongabong 1
Roxas SALP
Roxas 1
Roxas 2
Roxas 1
Roxas 5
Bongabong 1
Bongabong 2
Bongabong 3
Bongabong 4
Bongabong 5
Bongabong 6
Bulalacao 2
Bulalacao 2
Mansalay 1
Mansalay 2
Mansalay 3

Mabini St., Zone 1, Pinamalayan, Oriental Mindoro
Mabini St., Zone 1, Pinamalayan, Oriental Mindoro
Quinabigan, Pinamalayan, Oriental Mindoro
Poblacion, Bansud, Oriental Mindoro
Brgy. Maligaya, Gloria, Oriental Mindoro

Brgy. Hondura Poblacion Puerto Galera
Brgy. Hondura Poblacion Puerto Galera
Brgy. Hondura Poblacion Puerto Galera
Brgy. Ilag, San Teodoro, Oriental Mindoro

Oliveros St., Brgy. 2, Alabat, Quezon
Brgy. Tres, Poblacion Quezon, Quezon
Brgy. Tres, Poblacion Quezon, Quezon
Brgy. Mapagmahal Perez, Quezon

Pob. Swa, President Roxas, Capiz
Sitio Bayes, Brgy. Poblacion (Elizalde), Pres. Roxas, Capiz
Poblacion, Roxas Oriental Mindoro
Brgy. Poblacion Ilawod , Panit-an Capiz
Poblacion. Tabuc, Maayon Capiz
Pob. Swa, President Roxas, Capiz
Calle Revolucion, Poblacion Ilaya, Panay, Capiz
Brgy. Poblacion Norte, Ivisan, Capiz
Rizal St. Brgy. Poblacion Proper, Mambusao, Capiz
Brgy. Poblacion Norte, Sigma, Capiz

Zone 1, Campaasan, Bulalacao, Oriental Mindoro
Bagong Bayan I, Bongabong, Oriental Mindoro
Poblacion, Roxas Oriental Mindoro
Poblacion, Roxas Oriental Mindoro
Poblacion, Roxas Oriental Mindoro
Poblacion, Roxas Oriental Mindoro
Poblacion, Roxas Oriental Mindoro
Bagong Bayan I, Bongabong, Oriental Mindoro
Brgy. San Isidro, Bongabong, Oriental Mindoro
Bagong Bayan 2, Bongabong, Oriental Mdo
R. Balagtas St., Bagumbayan I, Bongabong, Oriental Mindoro
Brgy. San Isidro, Bongabong, Oriental Mindoro
Malitbog, Bongabong, Oriental Mindoro
Campaasan, Bulalacao Oriental, Mindoro
Campaasan, Bulalacao Oriental, Mindoro
Pob. Mansalay, Oriental Mindoro
Brgy. Villa Celestial, Mansalay, Oriental, Mindoro
Brgy. Sta. Teresita, Mansalay, Oriental Mindoro

SABLAYAN

Sablayan 1	P. Urieta St., Buenavista Sablayan, Occidental Mindoro
Pag Asa 1	Brgy. Pag-asa, Sablayan, Occidental Mindoro
Ligaya 2	Untalan St., cor. Kapitan Santos St., Ligaya, Sablayan, Occidental Mindoro
Sablayan 2	P. Urieta St., Buenavista Sablayan, Occidental Mindoro
Sablayan 3	P. Urieta St., Buenavista Sablayan, Occidental Mindoro
Sablayan 1	P. Urieta St., Buenavista Sablayan, Occidental Mindoro
Pag Asa 1	Brgy. Pag-asa, Sablayan, Occidental Mindoro
Ligaya 1	Geminiano Belamide St., Ligaya, Sablayan, Occidental Mindoro
Pag Asa 2	Pag-asa, Sablayan, Occidental, Mindoro

SAN CARLOS

San Carlos 4	Rizal Avenue, Poblacion, San Carlos City, Pangasinan
San Carlos 1	Rizal Avenue, Poblacion, San Carlos City, Pangasinan
Malasiqui 1	Brgy. Cabatling, Malasiqui, Pangasinan
Bayambang 1	Dina Gabriel Bldg. Brgy. Magsaysay, Bayambang, Pangasinan
Bayambang 2	Dina Gabriel Bldg. Brgy. Magsaysay, Bayambang, Pangasinan
Malasiqui 1	Brgy. Cabatling, Malasiqui, Pangasinan
Malasiqui 2	Joves St., Poblacion, Malasiqui, Pangasinan
Malasiqui 3	Damasco Bldg., Osmeña St., Poblacion, Malasiqui, Pangasinan
Malasiqui 4	Brgy. Talospatang, Malasiqui, Pangasinan
San Carlos 1	Rizal Avenue, Poblacion, San Carlos City, Pangasinan
San Carlos 2	Rizal Avenue, Poblacion, San Carlos City, Pangasinan
San Carlos 3	Brgy. M. Soriano, San Carlos City, Pangasinan
San Carlos 4	Rizal Avenue, Poblacion, San Carlos City, Pangasinan
Urbiztondo 1	Regidor St., Poblacion, Urbiztondo, Pangasinan
Urbiztondo 2	Regidor St., Poblacion, Urbiztondo, Pangasinan
Urbiztondo 3	Brgy. Dalangiring, Urbiztondo, Pangasinan

SAN FERNANDO

San Fernando 1	Silangan, San Fernando, Masbate
San Fernando 1	Silangan, San Fernando, Masbate
Naguilian	Cabaritan Sur, Naguillan, La Union
Bauang	Central West, Bauang, La Union
Bacnotan	Nagsimbaanan, Bacnotan, La Union
Balaoan	Bulbulala, Balaoan, La Union
Bangar	National Highway, San Blas, Bangar, La Union
Luna	Brgy. Salcedo, Luna, La Union
San Juan	Ili Norte (Pob.), San Juan, La Union

SAN FERNANDO MASBATE

San Fernando 1	Silangan, San Fernando, Masbate
San Fernando 2	Silangan, San Fernando, Masbate
Batuan	Poblacion, Batuan, Masbate
San Jacinto 1	Sitio Puro, Brgy. Calipat-an San Jacinto, Masbate
San Jacinto 2	Esparrago st. San Jacinto, Masbate
Monreal	Villamor St. Poblacion, Monreal, Masbate

SAN JOSE ANTIQUE

San Jose 1
San Jose 2
San Jose 1
Dao
Anini-Y
Sibalom
Belison
Patnongon
Bugasong

T.A. Fornier St., Brgy. 1 (Pob.), San Jose De Buenavista, Antique
T.A. Fornier St., Brgy. 1 (Pob.), San Jose De Buenavista, Antique
T.A. Fornier St., Brgy. 1 (Pob.), San Jose De Buenavista, Antique
Brgy. Balud, Tobias, Fornier, Antique
Brgy. Lisub-A, Anini-Y, Antique
Ramon Maza Sr. St., District III, Sibalom, Antique
Aguinaldo St., Poblacion, Belison, Antique
Real St., Pob. Patnongon, Antique
General Luna St., Brgy. Ilaya, Bugasong, Antique

SAN JOSE MINDORO

San Jose 1
Rizal 1
Magsaysay 1
San Jose SALP
San Jose 1
Magsaysay 1
San Jose 3
San Jose 4
San Jose 5
San Jose 6
San Jose 7
Rizal 3
Magsaysay 2
Magsaysay 3
Magsaysay 3B
Calintaan 1
Calintaan 1B
Calintaan 2
Rizal 1
San Jose 1
San Jose 2
Iling

T.A. Fornier St., Brgy. 1 (Pob.), San Jose De Buenavista, Antique
Central San Jose, Occ. Mindoro
Mapaya 1, San Occ. Mindoro
Jacinto St. Corner Gabriel, Brgy. 2, San Jose, Occidental, Mindoro
T.A. Fornier St., Brgy. 1 (Pob.), San Jose De Buenavista, Antique
Mapaya 1, San Occ. Mindoro
Brgy. Magbay, San Jose, Occidental Mindoro
Labangan, Poblacion, San Jose Occidental Mindoro
Murtha Proper, San Jose, Occ. Mindoro
Jacinto St. Corner Gabriel, Brgy. 2, San Jose, Occidental, Mindoro
Jacinto St. Corner Gabriel, Brgy. 2, San Jose, Occidental, Mindoro
Brgy. Magsikap, Rizal, Occidental Mindoro
Poblacion Magsaysay, Occ. Mindoro
Quezon St., Poblacion, Magsaysay, Occidental Mindoro
Quezon St., Poblacion, Magsaysay, Occidental Mindoro
National Highway, Poblacion, Calintaan, Occidental Mindoro
National Highway, Poblacion, Calintaan, Occidental Mindoro
Captain Carrie St. Poblacion, Calintaan, Occidental Mindoro
Central San Jose, Occ. Mindoro
T.A. Fornier St., Brgy. 1 (Pob.), San Jose De Buenavista, Antique
T.A. Fornier St., Brgy. 1 (Pob.), San Jose De Buenavista, Antique
Iling Proper, San Jose, Occidental Mindoro

SAN PABLO

SPC 1
SPC 3
SPC 5
SPC 6
SPC 10

56 P. Burgos St., San Pablo City
No. 35 P. Burgos St., Corner M. Paulino St., San Pablo City, Laguna
Hermanos Belen St., Brgy. III-A San Pablo City
No. 35 P. Burgos St., Corner M. Paulino St., San Pablo City, Laguna
No. 35 P. Burgos St., Corner M. Paulino St., San Pablo City, Laguna

SARIAYA

Sariaya 10
Sariaya 2
Sariaya 7
Sariaya 5

Daliz Street, Corner Enrique street, Poblacion 4, Sariaya
Sto. Cristo, Sariaya, Quezon
Palmas Verdes Subdivision, Concepcion 1, Sariaya, Quezon
Daliz Street, Corner Enrique street, Poblacion 4, Sariaya

Sariaya 11	Daliz Street, Corner Enrique street, Poblacion 4, Sariaya
Sariaya 6	Brgy. Bignay, Sariaya, Quezon
Sariaya 6	Brgy. Bignay, Sariaya, Quezon
Sariaya 1	Daliz Street, Corner Enrique street, Poblacion 4, Sariaya
Sariaya 2	Sto. Cristo, Sariaya, Quezon
Sariaya 4	Lutucan, Malabag, Sariaya, Quezon
Sariaya 10	Daliz Street, Corner Enrique street, Poblacion 4, Sariaya
Sariaya 4	Lutucan, Malabag, Sariaya, Quezon
Sariaya 3	Daliz Street, Corner Enrique street, Poblacion 4, Sariaya
Sariaya 4	Lutucan, Malabag, Sariaya, Quezon
Sariaya 9	Daliz Street, Corner Enrique street, Poblacion 4, Sariaya
SIPOCOT	
Sipocot 3	Zone 3, Colacling, Lupi, Camarines Sur
Sipocot 1	San Juan Avenue, Brgy. North Centro, Sipocot, Camarines Sur
Ragay 1	182 Tomas Delgado St., Poblacion Ilaod, Ragay, Camarines Sur
Sipocot 6	Cabutagan, Lupi, Camarines Sur
Sipocot 1	San Juan Avenue, Brgy. North Centro, Sipocot, Camarines Sur
Ragay 2	Poblacion Iraya, Ragay, Camarines Sur
Sipocot 2B	Calagbangan, Sipocot, Cam. Sur.
Sipocot 4	San Juan Avenue, Brgy. North Centro, Sipocot, Camarines Sur
Sipocot 2A	Calagbangan, Sipocot, Cam. Sur.
Sipocot 5	San Juan Avenue, Brgy. North Centro, Sipocot, Camarines Sur
Sipocot 7	San Juan Avenue, Brgy. North Centro, Sipocot, Camarines Sur
SOCORRO	
Pola 1	Maluanluan, Pola, Oriental Mindoro
Pola 1	Maluanluan, Pola, Oriental Mindoro
Socorro 1	Zone IV, Socorro, Oriental Mindoro
Pola 3	Brgy. Maluanluan, Pola, Oriental Mindoro
Pola 4	Zone I, Pola, Oriental Mindoro
Pola 5	Brgy. Panikihan, Pola, Oriental Mindoro
Pola 3	Brgy. Maluanluan, Pola, Oriental Mindoro
Socorro 2	Zone IV, Socorro, Oriental Mindoro
Socorro 4	Zone IV, Socorro, Oriental Mindoro
Socorro 3	Leuteboro I, Socorro, Oriental Mindoro
Socorro 5	Zone IV, Socorro, Oriental Mindoro
SORSOGON	
Casiguran	Brgy. Central, Casiguran, Sorsogon
Gubat	1306 Burgos St., Pinontingan (Pob.), Gubat, Sorsogon
Sorsogon 1	Rizal St. West District, Piot (Pob.) Sorsogon City
Sorsogon 1	Rizal St. West District, Piot (Pob.) Sorsogon City
Bacon	Poblacion, Bacon District, Sorsogon
Castilla	Purok Cadena de Amor, Brgy. Cumadcad, Castilla, Sorsogon
Casiguran	Brgy. Central, Casiguran, Sorsogon
Magallanes	Central Poblacion, Magallanes, Sorsogon

Juban
Matnog
Bulan
Irosin
Gubat

Embarcadero, Juban, Sorsogon
Camcaman, Matnog, Sorsogon
Zone 2, Bulan, Sorsogon
San Juan, Irosin, Sorsogon
1306 Burgos St., Pinontingan (Pob.), Gubat, Sorsogon

STA. CRUZ

Sta. Cruz 1
Sta. Cruz 2
Sta. Cruz 3
Sta. Cruz 4
Sta. Cruz 5
Sta. Cruz 6
Sta. Cruz
Sta. Cruz
Sta. Mesa
Paco

Brgy. Mulawin, Santa Cruz, Occidental Mindoro
Brgy. Poblacion 2, Sta. Cruz, Occidental, Mdo
Poblacion 2, Sta. Cruz, Occidental Mindoro
Poblacion 2, Sta. Cruz, Occidental Mindoro
Sitio Malabon, Brgy. Napo, Sta. Cruz, Marinduque
Brgy. Matalaba, Sta. Cruz, Marinduque
Brgy. Poblacion Este, Santa Cruz, Ilocos Sur
Brgy. Poblacion Este, Santa Cruz, Ilocos Sur
Unit C., 3038, 1st Guada Canal, Brgy. 596, Sta. Mesa, City of Manila, Metro Manila
977 Unit 7&8, S. Reyes Cor. Lope De Vega Sts. Zone 031, Brgy. 314, Sta. Cruz, Manila

TABACO

Tiwi 1B
Tiwi 1B
Malinao
Malilipot 1
Tiwi 1A
Tabaco 1B
Bacacay 1A
Bacacay 1B
Tabaco 1A

Purok 3, Libtong, Tiwi, Albay
Purok 3, Libtong, Tiwi, Albay
Brgy. Poblacion, Malinao, Albay
Purok 4, Mabini St., Brgy. 1 (Pob.), Malilipot, Albay
Purok 3, Libtong, Tiwi, Albay
Purok 1, Brgy. Pawa, Tabaco City
#004 F. Banez, Bacacay, Albay
#004 F. Banez, Bacacay, Albay
Purok 1, Brgy. Pawa, Tabaco City

TACLOBAN

Tacloban 1
Tacloban 1
Tacloban 2
Tacloban 3
Tacloban 8
Babatngon 1
Basey 2
Basey 1
Sta. Rita 1
Sta. Rita 2

182 Salazar St. Brgy. 43, Tacloban City, Leyte
182 Salazar St. Brgy. 43, Tacloban City, Leyte
182 Salazar St. Brgy. 43, Tacloban City, Leyte
Brgy. 83-A, Burayan, San Jose, Tacloban City
Brgy. 99, Diit, Tacloban City
District 4, Real St., Pob., Babatngon, Leyte
Trece Martires, Brgy. Baybay, Basey, Western, Samar
2nd Floor, Espina Bldg. Marabut St., Brgy. Baybay, Basey, Western, Samar
Brgy. San Juan, Sta. Rita, Samar
Brgy. Old Manunca, Sta. Rita, Western Samar

TAGBILARAN

Maribojoc
Tagbilaran 1
Balilihan
Tubigon
Dauis
Maribojoc

Poblacion, Maribojoc, Bohol
B. Aquino St. Cogon District, Tagbilaran City
Del Carmen Weste (Pob.), Balilihan, Bohol
Timoteo St., Poooc Oriental, Tubigon, Bohol
Poblacion, Dauis, Bohol
Poblacion, Maribojoc, Bohol

Baclayon
Loon 2
Antequera
Panglao
Tagbilaran 2
Tubigon
Carmen

L. Oppus St., Poblacion, Baclayon, Bohol
Basac, Loon, Bohol
Brgy. Can-omay, Antequera, Bohol
P-2, Poblacion, Panglao, Bohol
B. Aquino St. Cogon District, Tagbilaran City
Timoteo St., Poooc Oriental, Tubigon, Bohol
756 Zamora St., Cogon West, Carmen, Cebu

TAGKAWAYAN

Del Gallego
Tagkawayan 1
Tagkawayan 2
Tagkawayan 2

Brgy. Poblacion, Del Gallego, Cam Sur
Lagdameo Blvd., Tagkawayan, Quezon
Lagdameo Blvd., Tagkawayan, Quezon
Lagdameo Blvd., Tagkawayan, Quezon

TAGUM

Tagum 3
Tagum 3
Tagum 1
Tagum 1
Tagum 7
Tagum 7
Tagum 6
Tagum 2

Purok Catleya, Visayan Village, City of Tagum, Davao del Norte
Purok Catleya, Visayan Village, City of Tagum, Davao del Norte
Purok Caimito, Mankilam, Tagum City
Purok Caimito, Mankilam, Tagum City
Gante Rd. Prk. Panabang, Magugpo West, Tagum City, Davao del Norte 8100
Gante Rd. Prk. Panabang, Magugpo West, Tagum City, Davao del Norte 8100
Gante Rd. Prk. Panabang, Magugpo West, Tagum City, Davao del Norte 8100
Gante Rd. Prk. Panabang, Magugpo West, Tagum City, Davao del Norte 8100

TALON

CAA 1
Pilar A
Pilar B
Talon 3
Talon 2
Talon 2

No. 2070 A. Silahis St. Phase 4 CAA, Las Piñas City
3 Olivia Road, Pilar Village, Las Piñas City
3 Olivia Road, Pilar Village, Las Piñas City
451 Alabang – Zapote Road, Brgy. Talon 1, Las Piñas City
451 Alabang – Zapote Road, Brgy. Talon 1, Las Piñas City
451 Alabang – Zapote Road, Brgy. Talon 1, Las Piñas City

CAA 5
Pilar A
LP 3
PLP 3
Talon 4
Pilar A

Lot 7 & 9, Blk 6, Gumamela St., Sambayanihan Peoples Village, B.F. International Village, Las Piñas City
3 Olivia Road, Pilar Village, Las Piñas City
Blk 16, Lot 34, Area S, Queens Row Subd., Queens Row East, Bacoar Cavite
Blk 4, Lot 2, Gen. Capinpin St., Cor. Gen. Evangelista St., Soldier Hills II Subd., Almanza I, Las Piñas City
Blk 4, Lot 2, Gen. Capinpin St., Cor. Gen. Evangelista St., Soldier Hills II Subd., Almanza I, Las Piñas City
3 Olivia Road, Pilar Village, Las Piñas City

TANAUAN

Tanauan
Palo
Dagami
Alang alang
Sta. Fe

Brgy. Buntay, Tanauan, Leyte
Corner Regidor & Domingo St., Santa Cruz (Pob.), Palo, Leyte
Brgy. Lapu Lapu, District 2, Dagami, Leyte
Real St., Zone III, Sta. Fe, Leyte
Real St., Zone III, Sta. Fe, Leyte

TARLAC

Lapaz
Camiling
Capas
Gerona
Lapaz
Santa Ignacia
Tarlac 1
Tarlac 2
Tarlac 3
Tarlac 4

Belmonte Subd., Brgy. San Isidro, Lapaz, Tarlac
Brgy. Poblacion G, Camiling, Tarlac
#0135 DLS, Brgy, Cut-Cut 1st, Capas, Tarlac
Brgy. Poblacion 1, Gerona, Tarlac
Belmonte Subd., Brgy. San Isidro, Lapaz, Tarlac
#258 Ilagan St., Poblacion West, Santa Ignacia, Tarlac
M.H. del Pilar St., San Nicolas, Tarlac City
Jasmine St., San Miguel, Tarlac City
Immaculate Concepcion Subd., Tibag, Tarlac City
M.H. del Pilar St., San Nicolas, Tarlac City

TIAONG

San Antonio 1
San Antonio 1
San Antonio 1B
San Antonio 2
Tiaong 1
Tiaong 2
Tiaong 3
Tiaong 4
Tiaong 5
Tiaong 6

4270 J.C. Wagan St. Ave. Pob. San Antonio, Quezon
4270 J.C. Wagan St. Ave. Pob. San Antonio, Quezon
4270 J.C. Wagan St. Ave. Pob. San Antonio, Quezon
Brgy. Poblacion, San Antonio, Quezon
Recto St., Poblacion IV Tiaong Quezon
Recto St., Poblacion IV Tiaong Quezon
Recto St., Poblacion IV Tiaong Quezon
Recto St., Poblacion IV Tiaong Quezon
Recto St., Poblacion IV Tiaong Quezon
Recto St., Poblacion IV Tiaong Quezon

TIBUNGCO

Tibungco
Buhangin 1
Samal 1
Buhangin 3
Samal 1
Samal 1
Samal 3
Buhangin 3

Purok 4, Vicenta Gloria Village, Brgy. Tibungco, Bunawan District, Davao City, Davao del Sur
112 Ilang-Ilang St., Buhangin, Davao City, Davao Del Sur
Purok 2, Datu St. Penaplata Samal District, Island Garden City of Samal
Purok 4, Vicenta Gloria Village, Brgy. Tibungco, Bunawan District, Davao City, Davao del Sur
Purok 2, Datu St. Penaplata Samal District, Island Garden City of Samal
Purok 2, Datu St. Penaplata Samal District, Island Garden City of Samal
Purok Maanyag, Poblacion, Kaputian, Island Garden City of Samal
Purok 4, Vicenta Gloria Village, Brgy. Tibungco, Bunawan District, Davao City, Davao del Sur



TORRIJOS

Torrijos 1	Poblacion, Torrijos, Marinduque
Torrijos 2	Purok Malamig, Tigwi, Torrijos, Marinduque
Torrijos 3	Poblacion, Torrijos, Marinduque
Torrijos 4	Poblacion, Torrijos, Marinduque
Torrijos 4	Poblacion, Torrijos, Marinduque

URDANETA

Umingan	Bantug, Umingan, Pangasinan
Urdaneta 1	Purok 3, Nancayasan Urdaneta City, Pangasinan 2428
Urdaneta 2	Nancamaliran East, Urdaneta City, Pangasinan
Asingan	Domanpot, Asingan, Pangasinan
Tayug 1	Purok 1, Brgy. Trenchera, Tayug, Pangasinan
Alcala	Brgy. San Pedro Ili, Alcala, Pangasinan
Rosales	Zone II, Rosales, Pangasinan
Urdaneta 3	Brgy. San Pedro Ili, Alcala, Pangasinan

VICTORIA

Naujan 1	Poblacion 2, Naujan, Oriental Mindoro
Victoria SALP	Brgy. Poblacion III, Victoria, Oriental Mindoro 5205
Naujan 5	Pinagsabangan 2, Naujan, Oriental Mindoro
Victoria 2	Brgy. Poblacion III, Victoria, Oriental Mindoro 5205
Victoria 3	Brgy. Poblacion III, Victoria, Oriental Mindoro 5205
Barcenaga 1	Brgy. Barcenaga, Naujan, Oriental Mindoro
Barcenaga 2	Brgy. Barcenaga, Naujan, Oriental Mindoro
Naujan 1	Poblacion 2, Naujan, Oriental Mindoro
Naujan 2	Poblacion 1, Naujan, Oriental Mindoro
Naujan 3	Poblacion I (Brgy. I), Naujan, Oriental Mindoro
Naujan 4	Poblacion 1, Naujan, Oriental Mindoro



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