

2024 CARD RBI INTEGRATED ANNUAL REPORT

ROADMAP TO 2030: Innovating the Way to Poverty Eradication





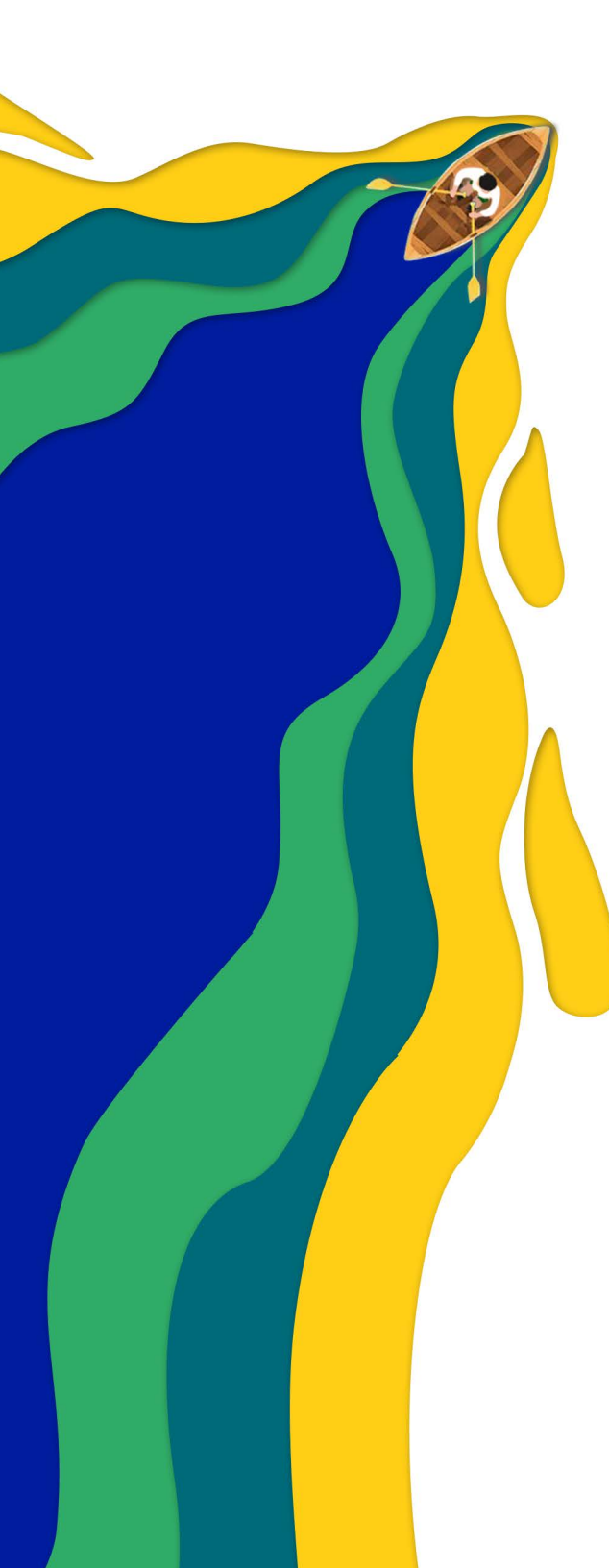
ABOUT THE COVER

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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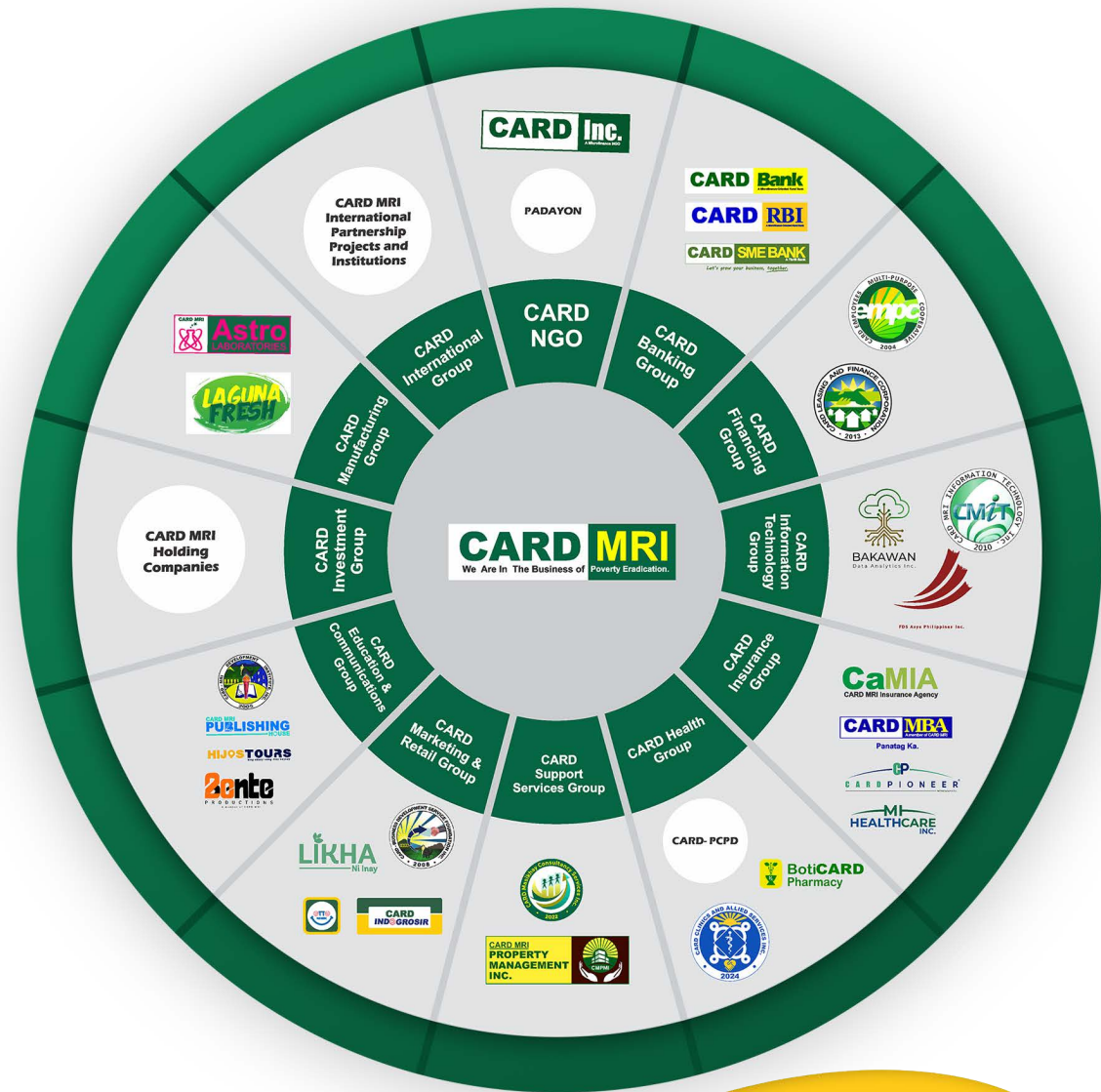
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CARD RBI collaborates closely with the CARD MRI group to achieve a holistic approach to development. Together, we offer comprehensive programs and services, including microinsurance, educational and health programs, and capacity-building initiatives. By addressing this, we strive to elevate the quality of life for the communities we serve.





VISION, MISSION & OBJECTIVES

VISION

CARD MRI RIZAL BANK, Inc. 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 MRI RIZAL BANK, Inc. is committed to:

- Empower socially and economically challenged women and families through continuous access to financial, micro insurance, 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 government agencies, private institutions, and people and community organizations to facilitate achievement of mutual goals.

OBJECTIVES

- To provide banking services especially 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; and
- To ensure that poorest Filipinos are provided with financial and non-financial services.

CORE VALUES

The core values of CARD RBI—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 RBI continues to move forward with hope, purpose, and a deep commitment to ending poverty.

ompetence

CARD RBI enhances staff skills through ongoing training, fostering values like integrity and excellence in a respectful environment.

amily Spirit

CARD RBI fosters a family spirit with employees and clients, committing to their social and economic development, even at the cost of personal sacrifices.

ntegrity

CARD RBI's success in fighting poverty is built on honesty and ethical operations, with leaders setting an example of integrity and everyone being accountable for performance.

implicity

CARD RBI serves the marginalized and values simplicity, helping staff understand and achieve the goal of empowerment.

umility

At CARD RBI, humility means treating everyone equally and focusing on improving lives, with staff celebrating successes privately.

xcellence

CARD RBI's success stems from its leaders and staff constantly innovating to improve the lives of economically challenged families, driven by their motto, "Up to the next level."

tewardship

CARD RBI ensures sustainability through careful management of resources, upholding high standards of stewardship for financial, human, and institutional assets.

BUSINESS MODEL

OUR CAPITALS

FINANCIAL



Our financial resources enable us to expand services, enhance accessibility, and provide support to our members and communities, all while contributing to the achievement of the SDGs.

- Total Assets: **PHP 7,450,463,008.02**
- Total Capital: **PHP 2,321,482,682.38**

MANUFACTURED & INTELLECTUAL



Our facilities and technology are strategically located to ensure the safety of both employees and clients, while maintaining seamless operations.

- Head Office: **1**
- Branches: **38**
- Branch-Lite Units (BLUs): **220**
- Automated Teller Machine (ATM): **10**
- Digital Cash Machine (DCM): **39**

HUMAN



We invest in our employees by offering training, workshops, and study tours both locally and internationally, empowering them to grow professionally and contribute meaningfully to our mission.

- Total Employees: **1,809 (69% women, 31% men)**

SOCIAL & RELATIONSHIP



We build strong relationships with our clients and partners by earning trust, promoting social development, and actively contributing to nation-building.

- Clients Served: **820,240**
- Strategic Partners: **16**

NATURAL



We reduce our environmental impact by offering sustainable financial services and participating in conservation efforts

- Trees Planted: **6,300**
- Reduced Paper with the Use of Digital Platforms (tons): **22.32**

THE VALUE WE CREATE



EMPLOYEES

We provide a positive and supportive workplace that encourages growth, learning, and innovation.

- Total Employee Compensation: **PHP 596,071,721.27**



INVESTORS

We build and maintain investor trust through transparency, effective risk management, and responsible corporate governance.

- Total Dividends Distributed: **PHP 545,000,000.00**
- Governance Practices:
 - Monthly board meetings
 - Annual report published on website



GOVERNMENT & REGULATORS

We ensure compliance and credibility by working with regulatory agencies such as *BSP, *SEC, *PDIC, *NPC, *DOLE, *SSS, *PhilHealth, Pag-IBIG Fund, *DENR, and *BIR.

- Total Government Remittances: **4**
- Total Taxes Paid: **PHP 402,141,602.76**



CLIENTS & COMMUNITIES

We promote financial inclusion by providing education, business development, and financial opportunities.

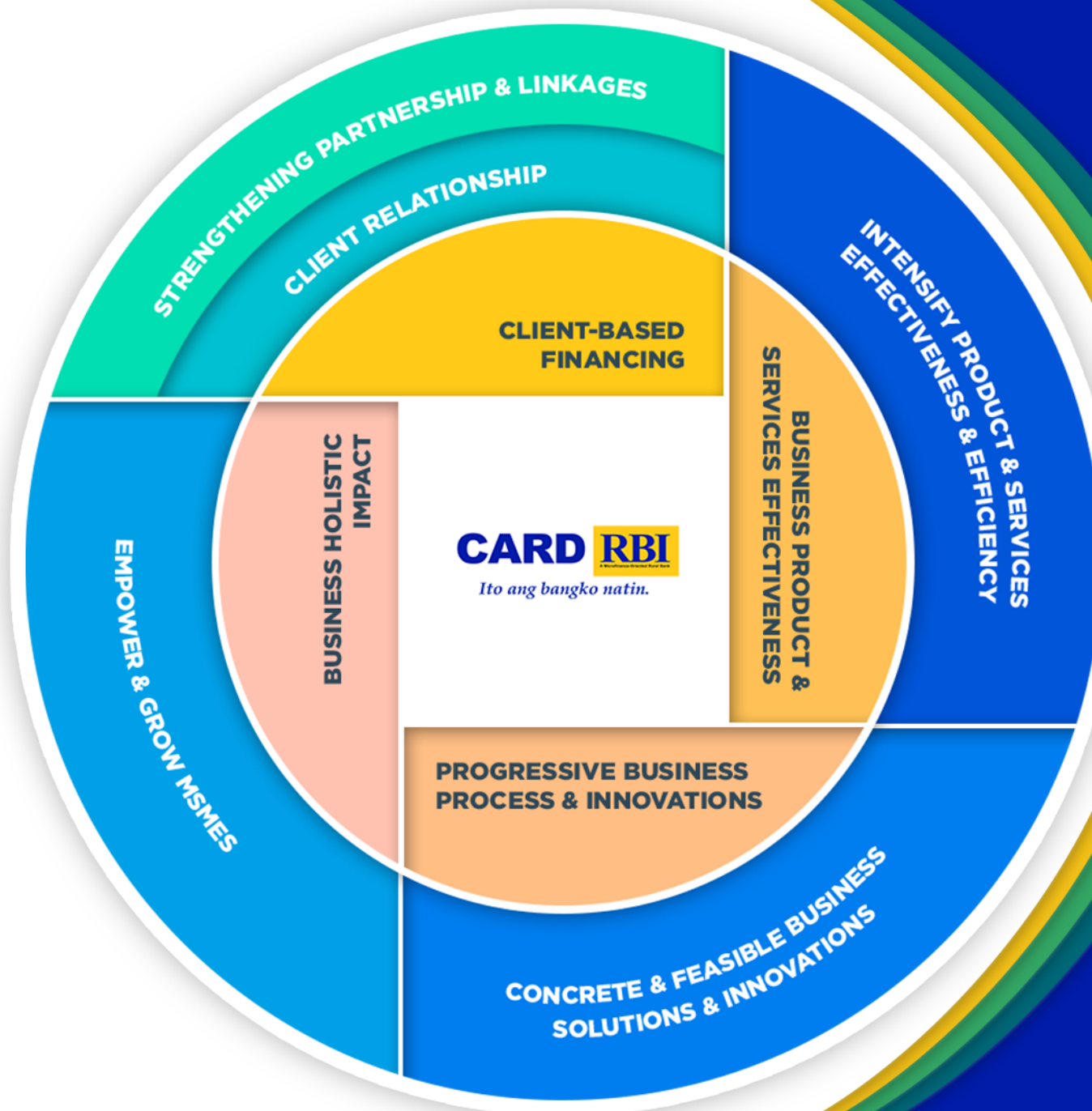
- Trainings Conducted: **30**
- Training Program Attendees:
 - Staff: **2,188**
 - Client: **6,553**
- Number of Scholars: **2,111**

VALUE CREATION

HOW WE CREATE VALUE BUSINESS OPERATIONS



STRATEGIES



SUSTAINABILITY STRATEGY

RESPONSIBLE BANKING

Integrate sustainability in operations
Promotes nation building

RESPONSIBLE OPERATIONS

Promotes eco-friendly activities
Paperless transactions
Environment sustainability
Conduct Credit with Education (CwE) to members



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 RBI has always been committed to financial inclusion, empowering both rural and low-income urban communities. From its early days, the bank has provided financial services designed to support farmers, rural entrepreneurs, and small business owners in underserved areas. In 2024, CARD RBI expanded its outreach by launching initiatives that offer agricultural loans and tailored financial solutions to help clients adapt to changing economic and industry trends. By bridging financial gaps in both rural and urban settings, the bank has positively impacted thousands of families, fostering sustainable growth and resilience. As CARD RBI continues to innovate, it remains dedicated to transforming communities through accessible and effective financial services.

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.

#TheBasicsMatter



Leading with Purpose: A Year of Innovation and Progress

Ms. Lyneth L. Derequito
President & CEO

At CARD MRI Rizal Bank, Inc. (CARD RBI), our mission remains clear—empowering communities through financial inclusion. In 2024, we strengthened our strategies to expand our outreach, improve efficiency, and drive innovation. With 800,000 clients under our care, we are on track to reach one million, reinforcing our commitment to eradicating poverty.

Expanding Access and Strengthening Digital Solutions

As we move into 2025, we are accelerating our efforts to make banking more inclusive, efficient, and client-centered. By expanding our reach, simplifying processes, and advancing digital solutions, we aim to enhance financial inclusion while maintaining the strong relationships that define our service.

Improving access to banking services remains a priority, especially in remote areas with limited financial infrastructure. With only 10 ATMs serving 39 branches, we recognize the need for more convenient solutions. To address this, we are leveraging Konek2CARD to facilitate essential banking transactions, such as card activation and PIN changes, even in locations without ATMs. This initiative will enable clients to manage their accounts more easily, regardless of their proximity to a branch.

At the same time, we are enhancing operational efficiency by automating processes in our unit offices. Reducing reliance on paper-based transactions will allow our staff to focus more on client engagement and accelerate loan processing. Additionally, we are strengthening digital tools to improve real-time monitoring and internal coordination, ensuring seamless service delivery.

Security and accessibility remain central to our digital initiatives. Integrating biometric and facial recognition technology into Konek2CARD will enhance security measures, particularly benefiting elderly clients by providing a safer and more user-friendly banking experience. While we embrace technological advancements, we remain committed to personal connections. Strengthening center meetings and face-to-face interactions will ensure that, even in a digital era, the trust and support that define our institution remain intact.

Driving Sustainable Growth and Innovation

Beyond financial services, we are expanding sustainable initiatives that empower communities. Our partnership with Hybrid Social Solutions, Inc. (HSSI) enables us to finance solar-powered appliances, supporting small businesses and households affected by frequent power outages. This initiative not only strengthens economic stability but also improves daily living conditions for our clients.

In addition, we continue to work closely with local government units on environmental initiatives such as tree planting and solid waste management, reinforcing our role as a socially responsible institution. By integrating sustainability into our operations, we ensure that our growth contributes to long-term community development.

A Vision for the Future: Empowering One Million Lives

As we pursue this ambitious path, our commitment to eradicating poverty remains stronger than ever. Every new client, every strengthened partnership, and every operational enhancement bring us closer to a future where financial inclusion is not just a goal but a reality for all. With the dedication of our staff and the unwavering support of our stakeholders, we are confident that 2025 will be a year of remarkable achievements and lasting impact.

Together, let us move forward with purpose and determination, empowering communities and transforming lives—one client at a time.

BOARD OF DIRECTORS

Mr. Aristeo A. Dequito
Chairperson

Dr. Dolores M. Torres
Vice Chairperson

Ms. Lyneth L. Derequito
Director/President/CEO

Ms. Elma B. Valenzuela
Director

Mr. Julius Adrian R. Alip
Director

Mr. Rodolfo K. Mabiasen Jr.
Director

Ms. Marlene B. Algire
Independent Director

Ms. Suzette S. Marquez
Independent Director

Ms. Leonora S. Lasco
Independent Director



MANAGEMENT COMMITTEE



Ms. Lyneth L. Derequito
President and CEO

Ms. Juliana B. De Leon
Executive Vice President

Ms. Ma. Adoracion M. Ola
Senior Vice President for
Operation

Ms. Mary Grace A. Vergavera
Vice President for Finance

Mr. Pedro L. Maniebo
Assistant Vice President
for Operation

Ms. Maria Ernelyn D. Dajao
Director for IT Operations

Mr. Glenn C. Matienzo
Information Security
Officer

Mr. Oliver G. Quinay
Deputy Director for
Konek2CARD

Mr. Ron Ron M. Lanzon
Deputy Director for
Human Resource

Mr. Alex B. Benitez
Marketing Manager

Ms. Ma. Clarissa C. Bolivar
Regional Director

Mr. Marck Anthony B. Llanes
Regional Director

Ms. Ma. Theresa G. Boncodin
Regional Director

Mr. Ronie D. Brandez
Regional Director

Ms. Ma. Cecilia M. Comaling
Senior Area Manager

MANAGEMENT COMMITTEE



Ms. Medelyn K. Alimagno
Assistant Vice President
for Operation

Ms. Ruby Anne D. Suministrado
Regional Director

Mr. Mark Jayson C. Soriano
Senior Area Manager

Ms. Nenia I. Peralta
Assistant Vice President
for Operation

Mr. Florante F. Andaya
Regional Director

Mr. Heric B. Acbayan
Senior Area Manager

Mr. Josef M. Leron
Vice President for Risk
Management

Mr. Robert F. Urgino
Regional Director

Mr. Joseph D. Potestades
Senior Area Manager

Mr. Hilario M. Umitten Jr.
Chief Compliance Officer

Ms. Rebecca F. Ano-os
Regional Director

Ms. Jhenny R. Logdat
Senior Area Manager

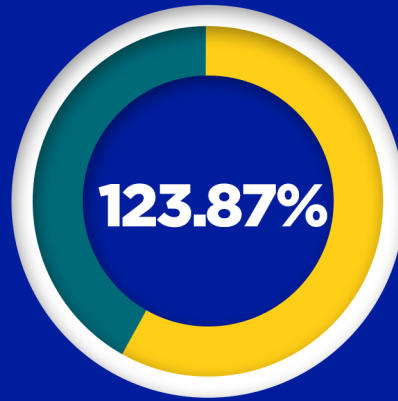
Ms. Carisa Anna G. Macoto
Deputy Director for Audit

Mr. Roneil B. Ganohay
Regional Director

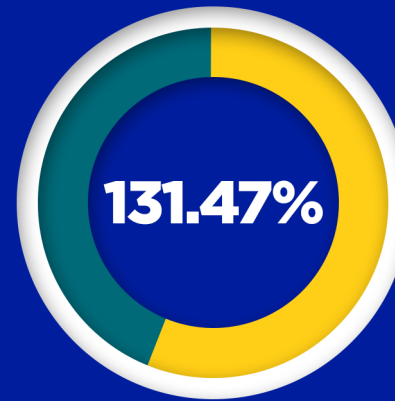
Ms. Lyne M. Inot
Senior Area Manager



Repayment Rate



Financial Self-Sufficiency



Operational Self-Sufficiency

LOANS DISBURSED

PHP 14,532,957,433.00

LOANS OUTSTANDING

PHP 5,355,405,505.12

SAVINGS

PHP 4,427,271,009.00

CLIENTS SERVED

820,240

ACTIVE CLIENTS WITH LOANS

463,556

CLIENT INCLUDING SAVERS

804,628



Head Office & Branches

39



Branch-Lite Units

220



Employees

1,809

AT A GLANCE

FINANCIAL HIGHLIGHTS

Minimum Data Required	Year Ended	
	2023	2024
Profitability		
Total Net Interest Income	PHP 2,203,419,168	PHP 2,544,114,275
Total Non-Interest Income	PHP 30,457,893	PHP 34,677,300
Total Non-Interest Expense	PHP 1,523,818,095	PHP 1,616,049,002
Pre-Provision Profit		
Allowance for Credit Loss	PHP 171,747,125	PHP 184,690,451
Net Income	PHP 532,595,995	PHP 652,490,415
Selected Balance Sheet		
Liquid Asset	PHP 1,553,964,850	PHP 1,471,374,612
Gross Loans	PHP 4,878,456,931	PHP 5,355,405,505
Total Asset	PHP 6,900,475,147	PHP 7,450,463,008
Total Deposit	PHP 4,022,652,780	PHP 4,427,271,009
Total Equity	PHP 1,919,107,086	PHP 2,321,482,682
Selected Ratios		
Return on Average Equity	29.30%	30.76%
Return on Average Assets	8.13%	9.15%
Selected Balance Sheet Data		
Cash Dividend Declared	PHP 360,000,000	PHP 230,000,000
Head Count		
Officers	410	573
Staff	1,334	1,236

Capital Structure and Capital Adequacy		
Tier 1 Capital		
Paid Up Common Stock	PHP 1,050,000,000.00	PHP 1,365,000,000.00
Retained Earnings	PHP 147,225,535.69	PHP 134,821,531.12
Undivided Profit	PHP 532,595,995.43	PHP 652,490,414.76
Total Core Tier 1 Capital	PHP 1,729,821,531	PHP 2,152,311,946
Tier 2 Capital		
Preferred Shares	PHP 200,000,000	PHP 200,000,000
General loan loss provision	PHP 114,413,290	PHP 137,867,451
Total Core Tier 2 Capital	PHP 262,510,579	PHP 266,661,216
Gross Qualifying Capital	PHP 1,936,297,152	PHP 2,384,571,470
Deduction from Tier 1 and Tier 2 capital	(PHP 45,320,513)	(PHP 52,951,553)
Total Qualifying Capital	PHP 1,890,976,638	PHP 2,331,619,917
Capital Requirement from credit risk:	PHP 6,251,057,859	PHP 6,656,322,964
Capital Requirement from market risk:		
Capital Requirement from operational risk:	PHP 2,102,339,658	PHP 2,915,740,508
Capital Requirements for Market Risks		
Total and Tier 1 Capital Adequacy Ratio	23.16%	22.13%

What we accomplished in 2024

ECONOMIC

konek2CARD Users: **523,646**

konek2CARD Agents: **2,331**

ENVIRONMENTAL

Trees Planted: **6,300**

Solar Loan Clients: **5,023**

SOCIAL

Scholars: **2,111**

Utilized Fund: **12,770,000**

Health Availment: **9,185**

GOVERNANCE

Board Composition:

Male - **3**

Female - **6**

CARD RBI is committed to sustainability by driving economic growth, protecting the environment, strengthening communities, and ensuring ethical governance. It provides accessible financial services, training, and mentorship to help microentrepreneurs grow their businesses while also supporting employees' career development and expanding financial inclusion across the country.

Environmental responsibility is at the heart of its operations, with initiatives such as tree planting, waste management, and solar financing that promote clean energy and reduce its ecological impact. At the same time, digital transformation helps streamline financial transactions and minimize paper waste, making services more efficient and environmentally friendly.

Beyond financial services, CARD RBI invests in education, healthcare, and community development to improve lives and create opportunities. It upholds transparency, accountability, and ethical leadership, ensuring that its mission remains rooted in trust and good governance. Through these efforts, CARD RBI continues to build a future where financial security and social progress go hand in hand.

Economic

Empowering Entrepreneurs and Strengthening Livelihoods

We believe that financial inclusion is a catalyst for long-term economic stability. Over the past year, we have strengthened our commitment to empowering individuals by equipping them with the financial tools and knowledge needed to build resilient and sustainable livelihoods. While many of our clients are natural entrepreneurs, they often encounter barriers in accessing capital and managing their finances effectively. Recognizing these challenges, we provide tailored financial products, insurance services, business training, and mentorship—bridging these gaps and enabling them to scale their ventures and secure a better future for their families.

This year, we continued our back-to-basics strategies, particularly in ensuring center quality through the 30 Client with Loans (CWL) per center policy and stricter branch and Branch-Lite Unit (BLU) monitoring. These efforts are evident in our ability to help clients improve not only their savings habits but also their capacity to manage loans effectively.

Our specialized products such as the Home Essentials Loan, which has already disbursed over 5,023 loans amounting to PHP36.72 million across 28 branches, reflect our understanding of real-life needs. In addition, 47,572 clients were able to avail loans for house improvement, helping them build more secure and comfortable homes.

CARD Sulit Padala and other remittance channels are also bridging economic gaps, with 13,688 transactions amounting to PHP407.56 million processed in all branches. Even our Other Loan - Padala Now, Pay Later service has supported clients with 130 disbursements worth PHP1 million in 35 branches.

We also take pride in the increasing number of our clients who can now fund their children's education independently, showing the tangible results of our financial literacy efforts. As we help our microentrepreneurs transition into small and medium enterprises, we proactively identify high-potential clients and guide them in financial record-keeping, opening doors to greater business opportunities.

Employment and Career Development

Beyond facilitating entrepreneurship, CARD RBI is committed to providing stable and meaningful employment opportunities. Our team now includes approximately 1,809 employees nationwide, and we continue to invest in their growth through training, scholarships, and international exposure.



In 2024, our staff attended training sessions by BSP, BAIPHIL, ITIL, RBAP, and CMDI, and participated in international exposure trips to Indonesia, Thailand, Japan, India, and Turkey. In addition, 12 officers completed their Master's Degree from institutions like DAP and SAIDI, while 22 other staff members pursued undergraduate and graduate degrees in CMDI, Union College, AMA University, De La Salle University, and more.

We also encourage staff to support their own family businesses and pursue entrepreneurship, further spreading financial stability across generations and communities.

Expanding Financial Access

Bringing financial services closer to communities remains one of CARD RBI's top priorities. In 2024, we opened five new Branch-Lite Units in key areas—Barobo in Surigao del Sur, Kabankalan and Bacolod in Negros Occidental, Pandi in Bulacan, and Cubao in Quezon City. Four of these came from CARD, Inc. transitions, while the others were new expansions. Together, they allowed us to serve more than 5,010 transitioned clients from CARD, Inc., and generated a total of PHP24.3 million in savings.

We also organized All-In-One Caravans across 22 branches to extend our services beyond the branch level. These caravans provided an opportunity for clients to open accounts, explore our remittance services, and learn more about our konek2CARD app. The result: over 2,000 new accounts opened and PHP14.4 million in deposits recorded. We also launched savings products designed specifically for senior citizens, leading to 308 new accounts and PHP25.28 million in deposits.

Whether through permanent units or mobile caravans, our goal is simple—to reach more Filipinos with financial services that are safe, reliable, and easy to access.

Digital Transformation and Financial Inclusion

The world is becoming increasingly digital, and so is the future of financial services. CARD RBI continues to strengthen its konek2CARD platform, which allows clients to perform transactions with greater ease and efficiency.

As of December 2024, 523,646 clients actively use konek2CARD, benefiting from the convenience of cashless transactions, savings deposits, loan payments, and fund transfers. Additionally, 2,331 konek2CARD agents—many of whom are CARD RBI clients themselves—have turned their roles into income-generating opportunities, serving as community banking partners.

These innovations reflect not just technological advancements but also our commitment to making financial services accessible, inclusive, and empowering.

5,010

Transitioned Clients from CARD, Inc.

523,646

Clients actively use konek2CARD

2,331

konek2CARD Agents

Environmental

Integrating Sustainability into our Operations

At CARD RBI, we recognize that environmental sustainability is a collective responsibility. That is why we actively integrate eco-friendly practices into our operations. Our branches participate in tree planting activities, waste reduction programs, and environmental awareness campaigns in collaboration with local government units (LGUs).

As of December 2024, we have planted 6,300 trees and conducted two nationwide clean-up drives. Each unit within our organization is encouraged to set its own environmental targets, ensuring that sustainability remains a core principle at every level. These efforts not only contribute to climate action but also foster a culture of environmental stewardship among our employees and clients.

Expanding Access to Renewable Energy

Recognizing the importance of clean energy, we have expanded our solar financing program in partnership with Hybrid Solar Solutions, Inc. (HSSI). Beyond solar panels, we now finance solar-powered appliances such as lights, electric fans, and water pumps, benefiting communities with limited access to electricity.

To date, CARD RBI has approved 5,023 solar product loans worth PHP36.71 million, enabling businesses to extend their operating hours and improving household comfort in off-grid areas. As we move forward, we continue to explore partnerships that will bring more sustainable energy solutions to even more communities.



Going Paperless for a Greener Future

Digital transformation plays a crucial role in our sustainability efforts. Through the Loan Origination System (LOS) and Mobile Collection (MobColl), we have significantly reduced paper usage, conserving approximately 550 trees as of December 2024. By shifting to electronic documentation and digital banking, we are minimizing waste while improving efficiency and accessibility.

Our commitment to paperless operations reflects our broader mission to adopt eco-friendly practices across all areas of our work. As we accelerate digital adoption, we reaffirm our dedication to reducing our environmental footprint.

Leveraging Digital Tools for Environmental Efficiency

The world is becoming increasingly digital, and so is the future of financial services. CARD RBI continues to strengthen its konek2CARD platform, which allows clients to perform transactions with greater ease and efficiency. Digitalization remains at the heart of our mission to make financial services more accessible.

By December 2024, over 523,646 clients were registered in konek2CARD and Kplus, supported by 2,331 agents—many of whom are clients themselves. The IBFT InstaPay feature was successfully integrated in September, with QRPH implementation planned for 2025 to ensure a seamless rollout.

Our digital efforts also included a soft launch of our Data Platform Project in December 2024, marking a shift toward more data-informed decisions. We also improved security with the replacement of ATM Hardware Security Modules and underwent a BancNet Post-Connection Review.

ATM and DCM transactions have significantly improved service efficiency and client convenience, with 67,019 ATM transactions amounting to PHP250.2 million, and 756,263 DCM withdrawals totaling PHP3.52 billion. These digital tools are estimated to have saved approximately 550 trees, aligning with our environmental goals.

Promoting Financial Literacy Through Creative Recycling

As part of its commitment to sustainability and community development, CARD RBI participated in the Koa Sustainability Circle of CARD MRI Publishing House in 2024. Fifteen staff members joined the initiative during the July 6, 2024 session.

During the Taka-Making Workshop, they transformed 1.5 kilograms of old newspapers into 15 Koa Koin Banks—owl-shaped coin banks inspired by Koa the Kwago. These coin banks were later distributed to children of CARD clients during storytelling sessions to help encourage the habit of saving from an early age.

This activity is a reflection of CARD RBI's dedication to initiatives that nurture financial literacy, creativity, and environmental responsibility in the communities it serves.

550

Conserved trees as of December 2024

67,019

ATM Transactions

756,263

DCM Transactions

Social

A Service-Oriented Approach to Financial Inclusion

At CARD RBI, our clients are at the heart of our mission. We design financial products that cater to their evolving needs, offering financial literacy programs that help them manage loans responsibly, invest in businesses, and secure their families' futures.

Through community engagement activities, we stay attuned to the needs of our clients, ensuring that our services remain relevant, accessible, and impactful.

Education and Community Development

We believe that education is one of the most powerful tools in breaking the cycle of poverty. That's why, through our CARD Balik Eskwela Program, we continue to invest in the future of our youth by providing scholarships to deserving students. In 2024 alone, 2,111 scholars were given financial assistance, 1,114 of whom have since completed their studies and taken confident steps toward a brighter future. A total of PhP 12.7 million pesos was allocated to support these educational endeavors, reinforcing our belief that no dream should be hindered by financial limitations.

Beyond scholarships, we strengthen our commitment to learning by partnering with CMDI and other institutions to offer skills training, livelihood development, and financial literacy workshops. These initiatives are designed not only to educate but to empower—equipping individuals with the tools they need to create stable and sustainable livelihoods for themselves and their families.

Health and Well-Being

At CARD RBI, we understand that true financial inclusion must also prioritize health and well-being. Through our Microfinance and Health Protection (MaHP) Unit, we bring essential healthcare services closer to the communities we serve. In 2024, we conducted six (6) community health days, offering free medical consultations, dental check-ups, and other basic health services. A total of 1,648 individuals benefited from these activities.

To complement these efforts, we continued to expand access to medical consultations through the CARD e-Doctor platform. This service allows clients to connect with licensed physicians online, making healthcare advice more accessible, especially for those in remote or underserved areas.

By integrating health and financial services, we help build stronger, more resilient communities. Ensuring that our clients have access to both financial tools and basic healthcare empowers them to not only overcome daily challenges but to thrive. resilience and secure a better quality of life.



Governance

Upholding Strong Governance Practices

Our governance framework is built on transparency, accountability, and ethical leadership. Guided by CARD MRI's core values, we uphold a culture of integrity and excellence in all our operations.

Board of Directors and Leadership

Strong governance is the foundation of trust, stability, and long-term success. At CARD RBI, we uphold the highest standards of ethical leadership, transparency, and accountability, ensuring that every decision we make aligns with our mission of financial inclusion and poverty eradication.

Our Board of Directors plays a crucial role in shaping our strategic direction, overseeing risk management, and ensuring compliance with regulatory standards. Composed of seasoned professionals in banking, finance, and social development, the Board provides invaluable insights and guidance that help us navigate challenges and seize new opportunities.

Beyond compliance, we foster a culture of leadership that is rooted in integrity and social responsibility. Our executives and management team are deeply committed to our mission, making sure that financial sustainability goes hand in hand with social impact. Through continuous learning and leadership development programs, we equip our leaders with the skills and knowledge needed to adapt to industry trends and drive meaningful change.



Client-Centered Governance

At the heart of our governance framework is our unwavering commitment to the clients and communities we serve. We recognize that our clients are not just beneficiaries of our services—they are our partners in growth. This is why we place great importance on open communication, active client participation, and responsive decision-making.

Through regular center meetings, community consultations, and digital engagement platforms, we listen to the concerns, feedback, and aspirations of our clients. These insights shape our policies, improve our services, and ensure that our financial products remain relevant to their evolving needs.

In 2024, we strengthened client representation in decision-making processes, ensuring that their voices play a greater role in shaping our programs and policies. We also enhanced our digital feedback mechanisms, making it easier and faster for clients to access support and share their experiences. At the same time, we expanded our financial literacy initiatives, equipping clients with the knowledge they need to make informed financial decisions and understand their rights and responsibilities.

By reinforcing client-centered governance, we continue to build trust and cultivate strong relationships that drive our mission forward. Our commitment goes beyond providing financial solutions—we strive to empower individuals, foster transparency, and ensure that every voice is heard and valued.

Corporate Governance: Strengthening Our Leadership and Decision-Making Framework

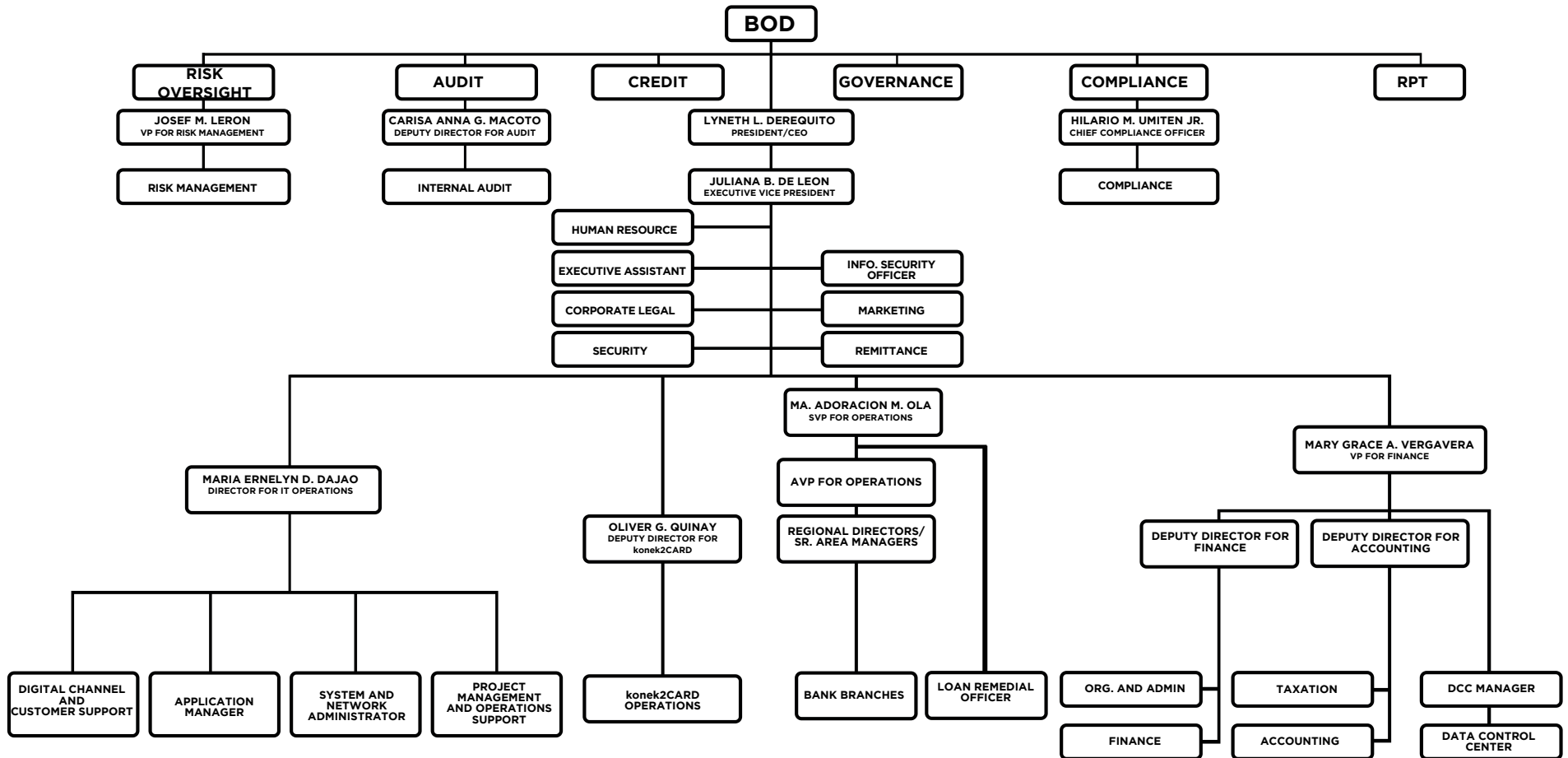
At CARD RBI, corporate governance is the backbone of the trust we build with our clients, partners, and communities. We are guided by a leadership culture rooted in transparency, accountability, and social responsibility—ensuring that every decision we make supports our mission of financial inclusion and sustainable development.

In 2024, we continued to strengthen our governance structure to keep pace with our growth and evolving responsibilities. This includes refining internal policies, enhancing leadership capacity, and promoting ethical practices across all levels of the organization. Through these efforts, we ensure that our operations remain sound, strategic, and aligned with the needs of the people we serve.

This section outlines the core elements of our corporate governance framework and the steps we've taken to uphold our commitment to responsible and effective leadership.

The following section outlines the governance structures, policies, and practices that guide our strategic decisions. These pillars reinforce our commitment to transparency, accountability, and sustainability. By continuously strengthening these aspects, we ensure that our operations remain aligned with our mission, empowering us to serve our members effectively while laying the groundwork for long-term success.

Organizational Chart



BRAND AND BUSINESS MODEL

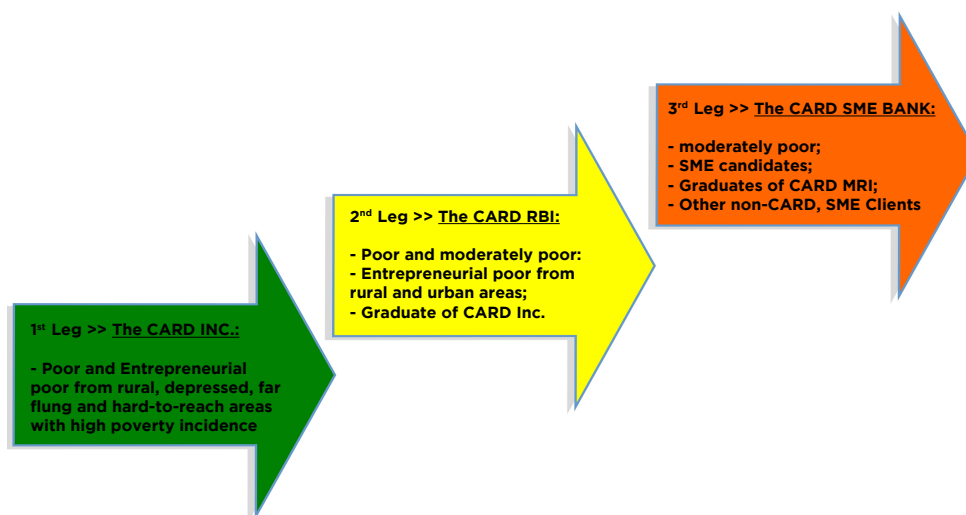
CARD MRI Rizal Bank, Inc., A Microfinance-Oriented Rural Bank was incorporated under Philippine laws by virtue of Securities and Exchange Commission (SEC) dated December 15, 1994. The Bank was granted the authority by the Bangko Sentral ng Pilipinas (BSP) to operate on April 29, 1996 under its original name of Rizal Rural Bank (Taytay, Rizal), Inc. The bank was established primarily to engage in the business of rural banking as defined and authorized under Republic Act No. 7353, as amended, such as granting loans to small farmers and to deserving rural enterprises, as well as receiving deposits in accordance with the regulations promulgated by the Monetary Board.

In January 25, 2013, as approved by the Monetary Board in its Resolution No. 155, the bank was acquired by the CARD MRI group and various individuals from its previous owners. Since then, it has continued engaging in rural banking but has concentrated its efforts towards developing programs and services tailor-fit to the needs of the socially and economically challenged women and their families and began expanding its operations towards the Philippine country-side.

One of its major strategies is through the application of the CARD MRI microfinance program model of transitioning evaluated good and prime clients of Center for Agriculture and Rural Development (CARD), Inc. into CARD MRI Rizal Bank, Inc. for them to benefit from the microfinance, small and medium facilities and services from the bank resulting in the availing of more loans, deposits and other banking products and services. This is parallel to the vision-mission of the bank in serving the socially and economically challenged women and their families.

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

The CARD MRI Rizal Bank's target market remains closely intertwined with CARD Inc., (A Microfinance NGO), CARD Bank, 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 CARD MRI group, CARD MRI Rizal Bank's target market is also synchronized and deeply thought about to ensure that all the member-institutions reinforced 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, culture of excellence, and simplicity.

As a methodology, transitioning of matured CARD, Inc. clients/borrowers to CARD MRI Rizal Bank will be its mainstream. Transitioning of clients means that the CARD, Inc. clients with good/prime credit standing may avail of the microfinance, small, and medium (MSME) facility/services from CARD MRI Rizal Bank resulting to more loans and deposit products to borrowers/members. This business strategy encourages the borrowers/members to further 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 MRI Rizal Bank, leading to enriching and empowering them through continuous access to financial resource as well as through training and supervision by the CARD MRI Rizal Bank staff. CARD MRI Rizal 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 MRI Rizal Bank's overall strategy involves developing the clients further to the next level. With this, CARD MRI Rizal Bank does not 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.

CORPORATE GOVERNANCE

CARD MRI RIZAL BANK, Inc.'s corporate governance practice adheres to seven (7) core values: competence, family spirit, integrity, simplicity, humility, excellence, and stewardship. The bank's exemplary corporate governance is anchored by its strong corporate culture and values. It is guided with 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 with the interest of its shareholders. The bank believes that corporate governance is a necessary component of what constitutes sound strategic business management and undertake 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 in fostering 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 in 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 the utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

QUALIFICATION OF THE BOARD OF DIRECTORS

BOARD OF DIRECTORS

The Board of Directors must be at least twenty-five (25) years of age at the time of his election or appointment, and fit and proper for the position of a Director considering the following: integrity/probity, physical/mental fitness, relevant education/financial literacy/training, possession of competencies relevant to the job such as knowledge and experience, skills, diligence and independence of mind, sufficiency of time to fully carry out responsibilities, and concurrent position in the same BSFI and interlocking position in entities that may pose conflict of interest. Members of the board of director shall not be appointed as the bank's Corporate Secretary or Chief Compliance Officer.

A Board of Director must have attended a seminar on corporate governance for Board of Directors. Except for the following persons who are exempted from these requirements. a) Filipino citizens with recognized stature, influence and reputation in the banking community, including directors of publicly listed companies in the Philippines and whose business practices stand as testimonies to good corporate governance. b) Distinguished Filipino and foreign nationals who served as senior officials in central banks and/or financial regulatory agencies. c) Former Chief Justices and Associate Justices of the Philippine Supreme Court.

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 (3) years counted from the date of the board's election/appointment. He/she is not an owner of more than two percent (2%) of the outstanding shares or a stockholder with shares of stock sufficient to elect one (1) seat in the board of directors of the institution, or in any of its related companies or of its majority corporate shareholders. He/she is not a close family member of any director, officer or stockholder holding shares of stock sufficient to elect one (1) seat in the board of directors of the Bank or any of its related companies or of any of its substantial stockholders. He/she is 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; and is not or was not retained as professional adviser, consultant, agent or counsel of the Bank, any of its related companies or any of its substantial shareholders, either in his personal capacity or through his firm during the past three (3) years counted from the date of his election; He/she is independent of management and free from any business or other relationship, has not engaged and does not engage in any transaction with the Bank or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and could not materially interfere with or influence the exercise of his judgment; He/she was not appointed in the Bank, its subsidiaries, affiliates or related interests as Chairman "Emeritus", "Ex-Officio", Directors/Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the board of directors in the performance of its duties and responsibilities during the past three (3) years counted from the date of his appointment; He/she is not affiliated with any non-profit organization that receives significant funding from the Bank or any of its related companies or substantial shareholders; and He/she is not employed as an executive officer of another company where any of the Bank's executives serve as directors.

An independent director may serve as such continuously for three (3) years, after which may be assessed for a possible extension of terms up to a maximum cumulative term of nine (9) years. After which, the independent director shall be perpetually barred from serving as independent director of the bank after nine (9) cumulative years of service but may continue to serve as 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 between the members of the board of directors shall be maintained.

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 receives accurate, timely, and relevant information;
- ensure the conduct of proper orientation for first time directors and provide training opportunities for all directors; and
- ensure conduct of performance evaluation of the board of directors at least once a year.

COMPOSITION

The Board is composed of nine (9) members pursuant to bank's Articles of Incorporation and by-laws, where three (3) of whom are independent directors. All are professionals from various field of expertise including banking, bank regulation, information technology, microfinance, business and social development. Details of the bank's Board of Directors as of December 31, 2024, are as follows:

Name of Director	Principal Stockholder	Type of Directorship	No. of Years as Director	No. of Shares Held	Percentage of Shares	BOD Meeting Attendance	
						2024	
Mr. Aristeo A. Dequito	-	Non-Executive	4 Years	1	0.00%	12/12	100%
Dr. Dolores M. Torres	-	Non-Executive	12 Years	341,247	2.50%	12/12	100%
Ms. Elma B. Valenzuela	-	Non-Executive	8 Years	682,500	5.00%	12/12	100%
Mr. Rodolfo K. Mabiase Jr	Bank of the Philippine Islands, Inc.	Non-Executive	3 Months	1	0.00%	2/3	67%
Mr. Julius Adrian R. Alip	-	Non-Executive	6 Years	1	0.00%	12/12	100%
Ms. Lyneth L. Derequito	-	Executive	3 Months	68,231	0.50%	3/3	100%
Ms. Leonora S. Lasco	-	Independent	4 Years	1	0.00%	12/12	100%
Ms. Marlene Algire	-	Independent	9 Months	1	0.00%	9/9	100%
Ms. Suzette S. Marquez	-	Independent	6 Years	1	0.00%	12/12	100%

1. Director Rodolfo K. Mabiase Jr was elected as new Director effective October 1, 2024
2. Director/President/CEO Lyneth L. Derequito was elected as new Director/President/CEO effective September 15, 2024
3. Director Marlene B. Algire was elected as new Independent Director effective April 6, 2024

BOARD OF DIRECTORS QUALIFICATIONS

Name	Age & Nationality	Years of Experience	Directed Institution	Educational Attainment	Qualifications
Mr. Aristeo A. Dequito Chairman of the Board	57, Filipino	With more than 35 years of experience in microfinance, banking and related fields.	- CARD SME Bank, Inc. (Chairman) - CARD MRI Holdings, Inc. (BOD) - MLNI, Inc. (BOD) - CARD, Inc. (President/BOT) - CARD BDSF, Inc. (BOT) - CMDI, Inc. (BOT) - Philippine Red Cross-SPC (BOD)	- BS in Business Administration with Major in Accounting - Master in Entrepreneurship from Asian Institute of Management - Advance Management Program from Harvard Business School	AML/CTF Fundamentals, Targeted Financial Sanctions, Cybersecurity Awareness and Cyber Drill, Training Program on Supervisory Assessment Framework (SAFR), Sustainable Finance Framework, Exposure Visit in FDS Indonesia for Core Banking System, Anti-Money Laundering and Combating the Financing of Terrorism, IT Governance Principle Course, Exposure in ASA Agrifinance and SME Program, FDS Core Banking Service and Mobile Technology Training/Planning, IFC Digital Finance Partnership Workshop, Sound Credit Risk Management System, Corporate Governance Seminar and Basic Rural Banking Course, among others.

Name	Age & Nationality	Years of Experience	Directed Institution	Educational Attainment	Qualifications
Dr. Dolores M. Torres Board of Director	69, Filipino	With more than 35 years of experience in microfinance, banking, and related fields	- CARD Bank, Inc. (BOD) - MiDAS, Inc. (BOD) - FDF Best Corporation (BOD/ Treasurer) - CMDI, Inc. (BOT/Vice Chair for Corporate Planning and External Affairs)	- BSC Accountancy - MS Community Development - Global Excellence in Management from Case Western Reserve - Appreciative Inquiry from University USA - Microfinance Training from Boulder Colorado - Executive MBA from Asian Institute of Management - Key Executives Management Course from Harvard Business School - Ph.D. in Organization Development	AML/CTF Fundamentals, Targeted Financial Sanctions, Cybersecurity Awareness and Cyber Drill, Training Program on Supervisory Assessment Framework (SAFR), Sustainable Finance Framework, IT Governance Principle Course, Risk Management Excellence in Microfinance, ITIL Intermediate Certificate in Service Strategy, Basic and Advance Microfinance Training, and Corporate Governance and Basic Rural Banking Course, among others.
Ms. Elma B. Valenzuela Board of Director	60, Filipino	With more than 35 years of experience in microfinance, banking and related fields	- Bakawan Data Analytics, Inc. (BOD) - CAMIA (BOD) - CARD, Inc. (BOT)	- BS Agriculture (Agronomy) - Master of Business Administration - Executive MBA from Asian Institute of Management - Advanced Management Program from Harvard Business School	AML/CTPF Course for BOD and SM, Cybersecurity Awareness and Cyber Drill, Training Program on Supervisory Assessment Framework (SAFR), Sustainable Finance Framework, IT Governance Principle Course, Basic Banking Regulations and Compliance, Related Party Transactions, Microfinance Training Program, Governance and Risk Management Training, Risk Management Seminar and Microfinance Credit and Risk Workshop, among others.
Mr. Rodolfo K. Mabiasen Jr. Board of Director	49, Filipino	With more than 25 years of experience in banking, microfinance, and related fields	- BPI Direct BankO, Inc. (President/ CEO/BOD) - Greentop Condominium Corporation (BOT)	- Bachelor of Science in Accountancy - Bachelor of Science in Economics - Certified Public Accountant	AML/CTF Fundamentals, Targeted Financial Sanctions, Financial Consumer Protection Program, Workers Operational Safety and Health Seminar, Integrated Corporate Governance, Leaders as Change Managers, Information Security Course, Advanced Corporate Governance Training, Microfinance Portfolio Management, Risk Management Training, and Corporate Governance Orientation Program, among others.

Name	Age & Nationality	Years of Experience	Directed Institution	Educational Attainment	Qualifications
Mr. Julius Adrian R. Alip Board of Director	46, Filipino	With more than 20 years of experience in microfinance, banking, business development and related fields	- CARD SME Bank (President/CEO/BOD) - CARD LFC (BOD) - CARD BDSFI, Inc. (BOT)	- AB Technical Theater - MS Public Administrator from Harvard University - MS International Community Economic Development from Southern New Hampshire University - Executive Education Top Management Program from Asian Institute of Management - Executive Education High Potential Leadership from Harvard Business School - Edward S. Mason Program from Harvard University - Accredited SME Consultant of Association of Accredited Small Business Consultants USA - Certified Professional Marketer by the Philippine Marketing Association	AML/CTF Fundamentals, Targeted Financial Sanctions, Cybersecurity Awareness and Cyber Drill, Training Program on Supervisory Assessment Framework (SAFR), Sustainable Finance Framework, Corporate Governance Seminar, Risk Management Seminar, SME Financing, IT Governance Principles Course, Non-Credit Private Equity and Venture Capital, and SME Financing/Financial Analysis, among others.
Ms. Lyneth L. Derequito Board of Director/ President and CEO	46, Filipino	With more than 25 years of experience in microfinance, banking, audit, compliance, management, and related fields	- CARD MRI Astro Laboratory (BOD) - CARD, Inc. (BOT)	- Bachelor of Science in Accountancy - Master's in business management - Master of International Community Economic Development from Southern New Hampshire University - Senior Executive Leadership Program from Harvard Business School	AML/CTF Fundamentals, Targeted Financial Sanctions, Cybersecurity Awareness and Cyber Drill, Islamic Banking Training, BSP Supervisory Framework (SAFR), IT Governance Principles Course, Corporate Governance Seminar, Related Party Transaction Seminar, Advance Risk Based Compliance, Enterprise Risks Management, Risks Management Excellence on Microfinance, and Enterprise Architecture, Women Leadership Training, among others.

Name	Age & Nationality	Years of Experience	Directed Institution	Educational Attainment	Qualifications
Ms. Leonora S. Lasco Independent Director	70, Filipino	-	-	- Junior Secretarial Science - Encoding Course	AML/CTF Fundamentals, Targeted Financial Sanctions, Cybersecurity Awareness and Cyber Drill, Islamic Banking Training, 2024 MCPI Annual Conference, CERISE+SPTF 2024 Annual Meeting, Training Program on Supervisory Assessment Framework (SAFR), Sustainable Finance Framework, Corporate Governance, Risk Management Training and Simple Bookkeeping, among others.
Ms. Suzette S. Marquez Independent Director	60, Filipino	-		BS Secondary Education Major in Psychology (Undergraduate)	Business Continuity Planning Workshop, AML/CTF Fundamentals, Targeted Financial Sanctions, Cybersecurity Awareness and Cyber Drill, Islamic Banking Training, 2024 MCPI Annual Conference, CERISE+SPTF 2024 Annual Meeting, Training Program on Supervisory Assessment Framework (SAFR), Sustainable Finance Framework, Enhanced Corporate Governance Seminar, IT Governance Principle Course, and Anti-Money Laundering and Combating the Financing of Terrorism, among others.
Ms. Marlene B. Algire Independent Director	51, Filipino	-		- Liberal Arts Commerce (Undergraduate) - General Secretarial Course	AML/CTF Fundamentals, Targeted Financial Sanctions, Cybersecurity Awareness and Cyber Drill, Islamic Banking Training, 2024 MCPI Annual Conference, CERISE+SPTF 2024 Annual Meeting, Gender Sensitivity Training/VAW Desk Functionality Audit Reorientation Cum Training Needs Assessment/Survey, Resiliency and Strategic for Business, IT Governance Training, Go Negosyo Seminar, Bank Governance Committee, Enterprise and Livelihood Training, and Precept -Upon-Percept Leadership Training, among others.

BOARD COMMITTEES

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

I. AUDIT COMMITTEE

Name of Director	Attendance		Position
1. Ms. Suzette Marquez	12/12	100%	Chairperson
2. Ms. Marlene B. Algire	9/9	100%	Vice-Chairperson
3. Ms. Leonora S. Lasco	3/3	100%	Member

1. Director Marlene B. Algire was elected as new Vice Chairperson of the Audit Committee effective April 6, 2024
2. Director Leonora S. Lasco was elected as new Member of the Audit Committee effective September 15, 2024

The audit committee is composed of at least three (3) members of the board, all are non-executive directors, and the majority of whom are independent directors, including the Chairperson, who have knowledge of financial reporting and internal controls. The committee is responsible for overseeing senior management in establishing and maintaining an adequate, effective and efficient internal control framework. It should 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 regularly meets every Friday before Board Meeting of the month or as the need arises.

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

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

II. RISK OVERSIGHT COMMITTEE

Committee Member	Attendance		Position
1. Ms. Leonora S. Lasco	12/12	100%	Chairperson
2. Mr. Rodolfo K. Mabiase Jr	2/3	67%	Vice Chairperson
3. Ms. Suzette S. Marquez	12/12	100%	Member

1. Director Rodolfo K. Mabiase Jr was elected as new Vice Chairperson of the Risk Oversight Committee effective October 1, 2024.

The Risk Oversight Committee is composed of at least three (3) members of the board of directors, the majority of whom are independent directors, including the Chairperson. The committee advises the board of directors on the bank's overall current and future risk appetite, oversees senior management's adherence to the risk appetite statement, and reports on the state of risk culture of the bank. The creation of the 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 regularly meets every Friday before Board Meeting of the month or as the need arises.

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

- Oversee the risk management framework.
- Oversee adherence to risk appetite.
- Oversee the risk management function.

III. CORPORATE GOVERNANCE COMMITTEE

Committee Member	Attendance		Position
1. Ms. Marlene B. Algire	3/3	100%	Chairperson
2. Mr. Aristeo A. Dequito	12/12	100%	Vice Chairperson
3. Ms. Suzette S. Marquez	12/12	100%	Member

1. Director Marlene B. Algire was elected as new Chairperson of the Corporate Governance Committee effective September 15, 2024

The Corporate Governance Committee is composed of at least three (3) members of the board of directors, the majority of whom are independent directors, including the Chairperson. The committee assists the board of directors in fulfilling its corporate governance responsibilities. The committee regularly meets every Friday before Board Meeting of the month or as the need arises.

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

- Oversee the nomination process for members of the board of directors and for positions appointed by the board of directors.
- Oversee the continuing education program for the board of directors.
- Oversee the performance evaluation process.
- Oversee the design and operation of the remuneration and other incentives policy.

OTHER BOARD AND MANAGEMENT LEVEL COMMITTEES ARE THE FOLLOWING:

IV. COMPLIANCE COMMITTEE

Name of Director	Attendance		Position
1. Dr. Dolores M. Torres	12/12	100%	Chairperson
2. Ms. Elma B. Valenzuela	12/12	100%	Vice-Chairperson
3. Mr. Julius Adrian Alip	12/12	100%	Member
4. Ms. Lyneth L. Derequito	3/3	100%	Member

1. Director Lyneth L. Derequito was elected as new Member of the Compliance Committee effective September 15, 2024

The Compliance Committee is composed of at least three (3) 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 business risks. The committee was chaired by a non-executive member of the board. The committee was chaired by a non-executive member of the board. This is to ensure that committee are updated on the status of the implementation of the compliance program and board thru the compliance committee are updated on the new relevant Philippine laws, rules and regulations and pertinent BSP Circulars governing the operations of the banks. The committee shall have a regular once a month meeting to be held every Friday before the Board meeting or as the need arises.

The Compliance Committee tasks include the following:

- Ensuring that the compliance system of the bank is defined, established and updated to facilitate effective management of compliance with bank policies and regulatory requirements.
- Ensure that the updated compliance program was approved by the Board, oversee and promote its effective implementation.
- Ensuring that compliance issues encountered by the bank were immediately resolved and acted upon.
- Ensuring that duties and responsibilities of the Board of Directors stated under Section 132 of the MORB: Powers/duties and responsibilities of the board of directors were done.
- It shall provide oversight on AML policy development and execution such that AML Policies and Procedures established by the senior 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.
- Review and take action, as necessary, on AML related reports coming from the bank's compliance office.
- Shall oversee and ensure the effective performance of the AML/TF functions of the bank's compliance office.

V. RELATED PARTY TRANSACTIONS (RPT) COMMITTEE

Name of Director	Attendance		Position
1. Ms. Marlene B. Algire	3/3	100%	Chairperson
2. Ms. Leonora S. Lasco	12/12	100%	Vice-Chairperson
3. Ms. Suzette S. Marquez	12/12	100%	Member

- Director Marlene B. Algire was elected as new Chairperson of the RPT Committee effective September 15, 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 at least three (3) members of the board of directors, the majority of whom are independent directors, including the Chairperson. In case a member has conflict of interest in a particular RPT, he/she refrains from evaluating such a particular transaction. Independent units such as Compliance Officer and/or Internal Auditor shall sit as resource person of the committee. The committee regularly meets every Friday before the Board Meeting of the month or as the need arises.

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

- Ensures that all related parties are continuously identified, monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured.
- Ensure that all materials concerning RPTs are not undertaken on more favorable terms to such related parties than similar transactions with non-related parties under similar circumstances.
- Guarantees 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.
- Make regular reporting to the board of directors on the status and aggregate exposures to each related party as well as the total amount of exposures to all related parties.
- Ensures 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.

VI. CREDIT COMMITTEE

Name of Director/Management*	Attendance		Position
1. Ms. Lyneth L. Derequito	1/1	100%	Chairperson
2. Ms. Elma B. Valenzuela	1/1	100%	Vice-Chairperson
3. Ms. Juliana B. De Leon	1/1	100%	Member
4. Ms. Ma. Adoracion Ola	1/1	100%	Member
5. Mr. Pedro Maniebo	1/1	100%	Member
6. Ms. Nenia Peralta	1/1	100%	Member
7. Ms. Medelyn Alimagno	1/1	100%	Member

**The new Credit Committee composition was effective September 15, 2024*

The committee is composed of two (2) members of the board of directors and at least one (1) member of the senior management. The Secretary shall serve as an ex-officio member of the committee. The board of directors may also elect one (1) additional director to serve as an alternate member in the absence or inability of any regular member thereof.

The committee shall meet as frequently as necessary. The committee shall meet upon the request of the AVP/SRD/RD when there is pending SME loan applications above Php1,000,000.00 subject for evaluation and approval. Hence, as loan applications and approval for the year were within the management's authorized capacity, and only one (1) meeting was held for 2024.

The Credit Committee's tasks include the following:

1. Ensure that SME lending activities of the Bank are aligned with the credit risk strategy approved by the Board of Directors.
2. Ensure that SME loan applications recommended from the bank operations are evaluated, approved, or endorsed for approval of the Board of Directors based on the bank's board approved codified signing and approving authority.
3. Ensure that risk mitigants and policy enhancements are updated based on the results of recent SME loan evaluations.

VII. MEMBER-BOARD AND OBSERVER COMMITTEE

Name of Director	Attendance		Position
1. Ms. Suzette Marquez	4/4	100%	Chairperson
2. Ms. Marlene B. Algire	3/3	100%	Vice-Chairperson
3. Ms. Leonora S. Lasco	4/4	100%	Member

1. *Director Marlene B. Algire was elected as new Vice Chairperson of the Member-Board and Observer Committee effective April 6, 2024*

The purpose of the Committee is to assist the Board of Directors (the "Board") to have direct access into the issues and concern 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. One of the members of the Committee shall be appointed as Chairman of the committee by the Board of Directors. 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 Member-Board and Observer Committee's tasks include but not limited to the following:

- a. The Committee shall discuss results of their field monitoring activities conducted for the quarter.
- b. The Committee shall discuss issues and concern solicited from their co-members during their field monitoring and recommend for appropriate solutions.

- c. The committee shall assist the Board of Directors and Senior 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 problem to recover from their poor performance.
- e. The committee shall assist the Board of Directors and Senior Management in developing new topics for Credit with Education (CwE) discuss during center meetings that helps improve the lifestyle of members and their family.
- f. The committee shall assist the Board of Directors and Senior 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 recommend 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.

THE BANK'S SENIOR MANAGEMENT LEVEL COMMITTEES ARE THE FOLLOWING:

VIII. ASSET AND LIABILITY COMMITTEE

Name of Management*	Attendance		Position
1. Ms. Mary Grace A. Vergavera	12/12	100%	Chairperson
2. Ms. Lyneth L. Derequito	6/6	100%	Vice-Chairperson
3. Ms. Juliana B. De Leon	12/12	100%	Member
4. Ms. Ma. Adoracion Ola	6/6	100%	Member
5. Mr. Rollie Lameyra	9/9	100%	Member
6. Ms. Marvelos Sambili	6/6	100%	Member

**The new Asset and Liability Committee composition was effective September 15, 2024*

The assets and liabilities of CARD MRI Rizal 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 the week before the Board of Directors meeting or as the need arises.

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

- a. Protect the liquidity position of the Bank to meet maturing obligations when they are due, so that there would have 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).
- 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 a new client product) and present findings to the Board.

IX. OUTSOURCING COMMITTEE

Name of Management*	Attendance		Position
1. Ms. Lyneth L. Derequito	9/9	100%	Chairperson
2. Ms. Juliana B. De Leon	12/12	100%	Vice-Chairperson
3. Ms. Mary Grace Vergavera	12/12	100%	Member
4. Ms. Ma. Adoracion Ola	7/7	100%	Member
5. Ms. Maria Ernelyn Dajao	12/12	100%	Member

**The new Outsourcing Committee composition was effective September 15, 2024*

CARD MRI Rizal bank continuously expands over the years. With 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 Committee is comprised of senior management of the Bank. The Outsourcing Committee shall have a regular once a month meeting or as the need arises.

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

- Reducing costs such as employee compensation cost, office space expenses and other associated costs of doing the outsourced activities.
- Giving more focus on the bank in dealing with their expertise and core business.
- Improving the quality of services being offered.
- Improving customer satisfaction.
- Improving operational efficiency.

X. IT STEERING COMMITTEE

Name of Management*	Attendance		Position
1. Ms. Lyneth Derequito	8/9	89%	Chairperson
2. Ms. Juliana B. De Leon	12/12	100%	Vice-Chairperson
3. Ms. Elma B. Valenzuela	12/12	100%	Member
4. Ms. Ma. Adoracion Ola	12/12	100%	Member
5. Ms. Mary Grace Vergavera	12/12	100%	Member
6. Mr. Pedro Maniebo	12/12	100%	Member
7. Ms. Nenia Peralta	8/8	100%	Member
8. Ms. Medelyn Alimagno	8/8	100%	Member
9. Ms. Maria Ernelyn Dajao	12/12	100%	Member

**The new IT Steering Committee composition was effective September 15, 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 IT Steering Committee oversees the Information Technology development, implementation, and maintenance of the bank's Information System Strategic Program, Information Security Program, and IT related issues and initiatives. The IT Steering Committee is comprised of senior management of the Bank. The IT Steering Committee shall have a regular once a month meeting or as the need arises.

BANK EXECUTIVES AND SENIOR MANAGEMENT

The Senior Management, as mandated by the Board, has the oversight and responsibility to effectively implement the bank policies and practices on its day-to-day operations and affairs. The qualifications of the Bank's executive and senior management personnel as of December 31, 2024, are as follows:

Name	Age & Nationality	Years of Experience	Educational Attainment	Qualifications
Ms. Lyneth L. Derequito President and Chief Executive Officer	46, Filipino	With more than 25 years of experience in microfinance, banking, microinsurance, audit, compliance, management, and related fields	- Bachelor of Science in Accountancy - Master in Business Management - Master of International Community Economic Development from Southern New Hampshire University - Senior Executive Leadership Program from Harvard Business School	AML/CTF Fundamentals, Targeted Financial Sanctions, Cybersecurity Awareness and Cyber Drill, Islamic Banking Training, BSP Supervisory Framework (SAFR), IT Governance Principles Course, Corporate Governance Seminar, Related Party Transaction Seminar, Advance Risk Based Compliance, Enterprise Risks Management, Risks Management Excellence on Microfinance, and Enterprise Architecture, Women Leadership Training, among others.
Ms. Juliana B. De Leon Executive Vice President	53, Filipino	With more than 30 years of experience in microfinance, banking, and related fields	- BS in Agriculture Major in Agricultural Education - MS in International Community Economic Development - From Southern New Hampshire - Executive Program in General Management from Massachusetts Institute of Technology (MIT)	AML/CTF Fundamentals, Targeted Financial Sanctions, Cybersecurity Awareness and Cyber Drill, Sustainable Finance Framework, Anti-Money Laundering and Combating the Financing of Terrorism, Power Presentation, Management Development Program, and Leadership and Diversity Innovation Program, among others.
Ms. Maria Adoracion M. Ola Senior Vice President for Operations	50,, Filipino	With more than 25 years of experience in microfinance, banking, micro-insurance, and related fields	- BS Business Administration - MA in Organization Development Specializing in Microfinance Management - Basic Strategic Management	AML/CTF Fundamentals, Targeted Financial Sanctions, Cybersecurity Awareness and Cyber Drill, AML Refresher/BBRC Refresher, Know Your Money, Basic Banking Regulations and Compliance Training, among others.
Nenia I. Peralta Assistant Vice President For Operations	48, Filipino	With more than 25 years of experience in microfinance and banking	- BSC major in Banking and Finance - MA in Community Economic Development at Southern New Hampshire University	AML/CTF Fundamentals, Targeted Financial Sanctions, Cybersecurity Awareness and Cyber Drill, AML Refresher/BBRC Refresher, Know Your Money, Basic Banking Regulations and Compliance Training, among others.
Mr. Pedro L. Maniebo Assistant Vice President For Operations	49, Filipino	With more than 25 years of experience in microfinance and banking	- BS in Management - Master in Productivity and Quality Major in Microfinance	AML/CTF Fundamentals, Targeted Financial Sanctions, Cybersecurity Awareness and Cyber Drill, AML Refresher/BBRC Refresher, Basic Banking Regulations and Compliance, AMLA and AML Risk Rating System, and Risk-Based Audit Methodology, among others.
Ms. Medelyn K. Alimagno Assistant Vice President For Operations	43, Filipino	With more than 20 years of experience in microfinance and banking	- BA in Economics - MA in Organization Development Specializing in Microfinance Management	AML/CTF Fundamentals, Targeted Financial Sanctions, Cybersecurity Awareness and Cyber Drill, AML Refresher/BBRC Refresher, Staff Ready for Banking and Basic Banking Regulations and Compliance Training, among others.
Ms. Mary Grace A. Vergavera Vice President For Finance	43, Filipino	With more than 20 years of experience in microfinance, banking, finance, and accounting	- BS in Accountancy - Master in Productivity and Quality Management major in Microfinance Certified Management Accountant (CMA) - Certified Taxation Technician (CTT)	AML/CTF Fundamentals, Targeted Financial Sanctions, Cybersecurity Awareness and Cyber Drill, AML Refresher/BBRC Refresher, Basic Banking Regulations and Compliance Training, Seminar on ECL Modelling for PFRS 9 Compliance, Training/Workshop on "Managing, Motivating and leading a Multigenerational Workforce: The Millennial Difference, PFRS 16, Leases Workshop, Training/Workshop on ECL computation and Modelling and Mastering of Withholding Tax, VAT and Income Tax and the effects of Train Law Training, among others.

Name	Age & Nationality	Years of Experience	Educational Attainment	Qualifications
Mr. Josef M. Leron Vice President For Risk Management	43, Filipino	With more than 20 years of experience in microfinance, banking, accounting, and compliance	- BS in Accountancy - Master of International Community Economic Development from Southern New Hampshire University - Executive Program Studies in Advance Certificate for Executives in Management Innovation and Technology from Sloan School of Management - Executive Program Studies in Executive Program in General Management from Sloan School of Management	AML/CTF Fundamentals, Targeted Financial Sanctions, Cybersecurity Awareness and Cyber Drill, AML Refresher/BBRC Refresher, Microfinance Annual Conference, Microfinance Sustainability Summit, Navigating Compliance with the Data Privacy Act, Corporate Governance Seminar, IT Governance Principle Course, Risk Management Training, Digital Financial Services, Microfinance Network in IndoChina and Myanmar, Related Party Transactions, Labor Law, Advance Risk Based Compliance in Dubai, ITIL Foundation Certificate in IT Service Management, Financial Management, and Basic Banking Regulations and Internal Control Standards, among others.
Mr. Hilario M. Umiten, Jr. Chief Compliance Officer	35, Filipino	With more than 10 years of experience in microfinance and banking	- BS in Business Administration Major in Management Accounting - Master of Arts in Organizational Development and Planning specializing in Microfinance Management	AMLC Registration and Reporting Guidelines (ARRG), AML/CTF Fundamentals, Targeted Financial Sanctions, Cybersecurity Awareness and Cyber Drill, AML Refresher/BBRC Refresher, Basic Course on Corporate Governance, Sustainable Finance Framework, BSP Awareness - Raising Session on Institutional Risk Assessment (IRA) and Results of the 2022 Thematic Review on Targeted Financial Sanctions (TFS), Basic Leadership and Effective Supervision Seminar (BLESS), Anti-Money Laundering/Counter-Terrorism Financing (AML/CTF) Fundamentals Webinar for Covered Persons, Mental Health Awareness Webinar, Data Privacy and Security for Financial Institutions, Handling Millennials, Data Privacy Act of 2012, among others.
Ms. Carisa Anna G. Macoto Deputy Director For Audit	36, Filipino	With more than 15 years of experience in audit in microfinance and banking, banking, and audit	- BS in Accountancy - Fraud Examination and Forensic Accounting from Seneca College	Basic Banking Regulations and Compliance, and Anti-Money Laundering Refresher Training, AML/CTF Fundamentals, Targeted Financial Sanctions, Cybersecurity Awareness and Cyber Drill, Risk Assessment Technique through Process Mapping, Business Writing for Internal Auditors, Effective Audit Reporting and Issues Monitoring, Excel Analytics Essentials, Fraud Risk Management, IT Security and Digital Audit, Internal Fraud Control Strategies, and Risk-Based Auditing, among others.
Mr. Ron Ron M. Lanzon Deputy Director For HR	34, Filipino	With more than 10 years of experience in human resource in microfinance and banking	BS in Industrial Technology major in Computer Technology	Conflict Management: HR and Legal Perspective, Advance Supervisory Development Program, Bangsamoro Basic Law Seminar, Nurturing Passion, Purpose and Productivity, Wage Distortion, Managing Motivating and Leading a Multigenerational Workforce: The Millennial Difference, among others, and AMLA and Basic Banking Regulation and Compliance, among others.
Ms. Maria Ernelyn D. Dajao Director For IT Operations	40, Filipino	With more than 15 years of experience in information technology in microfinance and banking	BS in Accountancy	AML/CTF Fundamentals, Targeted Financial Sanctions, Cybersecurity Awareness and Cyber Drill, AML Refresher/BBRC Refresher, Core Values and Culture Training, Basic Banking Regulations and Compliance Training, among others.
Mr. Oliver G. Quinay Deputy Director For konek2CARD	42, Filipino	With more than 20 years of experience in microfinance and banking	- BS Customs Administration - Master in Productivity and Quality Management Major in Microfinance	AML/CTF Fundamentals, Targeted Financial Sanctions, Cybersecurity Awareness and Cyber Drill, AML Refresher/BBRC Refresher, Handling Millennials, Basic Banking Regulations and Compliance and Core Banking System (CBS) Training, among others.
Mr. Glenn C. Matienzo Information Security Officer	41, Filipino	With more than 15 years of experience in information technology and security in microfinance and banking	- BS Information Technology - Diploma in Digital Forensics and Cybersecurity at Aventis School of Management	Cybersecurity Awareness and Cyber Drill, Core Values and Culture Training, AML Refresher/BBRC Refresher, Managing a Young Workforce: The Millennial Difference, IT security in Banking Operations, Fortinet - 361 Degrees Security 2019, Trend Micro - Security Trends 2019, CompTIA Advance Security Practitioner +, Information Security in Banking Operations, Data Privacy Officer (DPO) Briefing, Overview of Business Continuity Management - ISO 22301 Aligning to BSP Cir. No. 951, and Basic Banking Regulations and Compliance, among others.

ORIENTATION, SEMINARS AND EDUCATION FOR BOARD AND SENIOR MANAGEMENT

Board composition and dynamics are crucial for ensuring the effectiveness of the bank's operation. Within the framework of positive board culture, the board will leverage their diverse skill sets to excellent advantage. With this, Board of Directors training programs help build the skills for driving positive board culture - especially if undertaken as a team.

As the governing body of the bank, Boards of Directors provide leadership and accountability that determine the success of the institution. The board recognizes the importance of training and development of individual directors and the board as a whole. It was recognized as an important investment for the bank as it intends to operate at its greatest effectiveness. Further, a well-oriented and educated board foster trust and confidence among stakeholders, both internal and external.

All directors of the Bank have attended the Corporate Governance Seminar conducted by accredited private institutions prior to, or at least immediately after, assumption of office. 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. Prior to his election as member of the Board of Directors, candidates were invited to seat as observers in the bank's committee and board of directors' meetings to get familiar with the banking operations. They were also given the opportunity to immerse themselves in the ground to personally experience the bank's operations.

The Board of Directors and Senior Management were continually updated with the anti-money laundering initiatives, Bangko Sentral ng Pilipinas issuances, and other banking-related issues, conducted by the compliance unit, by CMDI, and by external organizations through webinars.

Moreover, the bank's senior officers have attended series of webinars conducted internally by our CMDI and by external organizations to further expand and strengthen their areas of expertise, update them on regulatory matters, and 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 sent to master's degree and short degree programs, both locally and internationally.

During the year 2024, some of the trainings and seminars attended by the bank's Board of Directors and Senior Management are the following:

Training Title	Conducted by	Date
Cybersecurity Awareness and Cyber Drill	ISACA Manila Chapter	August 19, 2024
Targeted Financial Sanctions (TFS) Course	AMLC	August to November 2024
Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Fundamentals Course	AMLC	August to November 2024

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) in the board are allotted for the member-board of directors. To ensure, however, that the board passed the required qualifications, the following 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 Director to Unit Manager). It must be clear that nomination will directly come from the members and not as endorsed or selected by the Account Officer.
3. Nomination will be forwarded to the HR personnel who then will forward to the Selection Committee.
4. Personal interview will be conducted by the Selection Committee at the place where the nominees are residing.
5. Selection Committee prepares reports and conduct 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 MRI)
- 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 MRI, in family, and in the community.

d. Personal attributes: Self-confidence, communication skills, values and principle in life, and good grooming.

e. Reputation in the community, family background and how the family is regarded in the community.

6. 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 (3) consecutive months, one at a time (while first 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 to 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 a regular observer.
10. While her status remains as a regular member observer to the board, she is also invited to join the board committee.
11. While attending as regular member observer to the board, she is also given opportunity to share and report based on the center visit she conducted during the month.
12. When 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/biographical data 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 on 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 MRI Rizal 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 in 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). 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 in 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.

Senior Management and Other Bank Staffs

Performance Evaluation is conducted annually to review how regular employees fared in the last 12 months. The results serve as the Annual Performance Rating of the employee. Performance Evaluation takes into consideration both quantitative and qualitative performance indicators.

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 the 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 MRI Rizal Bank, Inc. has adopted a standardized salary grading system applicable for all levels of position with a corresponding rate of pay that is 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 MRI Rizal 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 support 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 position.
- Master's Degree Program and short-term leadership management course for middle management officers.

Policy Statement

1. CARD MRI Rizal Bank ensures continuity of a strong leadership through operationalizing an effective and sound succession planning and development program.
2. The bank ensures that a strong and sound succession planning program identifies and fosters the next generation of leaders.
3. The bank also 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 Bangko Sentral 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. 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 MRI Rizal Bank 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.

Policy Violation and Non-compliance

Success in the Succession Planning and Development Program relies on the support and cooperation of all, particularly from the Management. Hence, they are held accountable and responsible for any violation and noncompliance in this policy.

Exemption Handling

Any deviation from this policy shall be approved by the President and CEO and the Chairman of the Board. The mandatory retirement age for all bank officers and staff including senior officers is 60 years old.

LIST OF MAJOR STOCKHOLDERS

Stockholder	Nationality	Percentage of Stockholdings	Voting Status
CARD Bank, Inc.	Filipino	40%	Voting
Center for Agriculture and Rural Development (CARD), Inc. (A Microfinance NGO)	Filipino	22%	Voting
Bank of the Philippine Islands, Inc.	Filipino	10%	Voting

CODE OF CONDUCT AND BUSINESS ETHICS

CARD MRI Rizal 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.

STAKEHOLDERS INTEREST

CARD MRI Rizal Bank, Inc. recognizes the inherent rights of shareholders in accordance with the law and aligned the principles and policies with the interest of its shareholders.

CARD MRI RIZAL 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 Pangakong-Ipon Savings. Dividends are given as one of the benefits of being a stockholder. Being part of the institution, the stockholders are also given the right to take part in the decision-making of the bank. Annual Stockholders meeting is organized to inform clients on 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 the local Disaster Risk Reduction and Management Office, Fire Department and PNP where bank branches and BLUs are located, fire and earthquake drills, first aid, and robbery/theft training were conducted this year. Such trainings aim to orient and teach bank staffs towards responding in times of disaster or unfortunate events.

SUPPLIER AND CONTRACTOR SELECTION CRITERIA

CARD MRI Rizal Bank, Inc. conducted a review of the accredited suppliers to ensure that the bank gets effective and efficient third-party products and services. The due diligence considered the financial stability of the supplier, the ability to provide competitive prices, good products, and services, and its compliance with the regulatory requirements. To ensure continuous excellence service, suppliers and contractors are subjected to yearly evaluation.

EMPLOYEE BENEFITS

The bank conducts Annual Physical Examinations for its staff and provided free health care benefits and health facilities such medical clinics manned by occupational health practitioners. As a member institution of CARD MRI, the bank continuously pursues competence and high regards on our human resources. To further build on their skills and capabilities in running our banking and microfinance operations, our board members and officers undergo continuous capacity-building through local and international training, seminars, workshops, and conferences. Selected staff from the bank are also given an opportunity to enroll in a master's degree program to further building their capacity.

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 its associated risks.

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. Policies and procedure 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 Bank's Related Party Transactions are disclosed in the Audited Financial Statements (under Note 19), and other applicable disclosures in accordance with relevant rules and regulations of the BSP, SEC, and other regulatory bodies.

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 Bangko Sentral ng Pilipinas (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 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 its internally set limits on Capital Adequacy Ratio Liquidity Ratio before and after dividends declaration. 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 Bangko Sentral ng Pilipinas, as follows:

1. Clearing account with the Bangko Sentral 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;
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.

The total dividends declared by the Bank are provided in the 2024 Audited Financial Statements of the Bank, under Note 13.

INDEPENDENT CHECKS AND BALANCES

To ensure robust and exemplary banking operations, CARD MRI Rizal Bank, Inc. 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 MRI Rizal Bank, Inc. 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 (5) 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.

The 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 are 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.

A. 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 operate efficiently thereby giving the management assurance that the systems can be relied upon for the recording of transactions relating to all operations and also for the preparation of the financial statements.

Under the direct supervision of the Board of 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 Deputy Director for Audit reports directly to the Audit Committee on its regular monthly meeting which is composed of at least three (3) members of the board of directors, all are non-executive directors, and the majority shall be independent directors, 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.

B. EXTERNAL AUDITOR

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

C. 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 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.

1. 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.
2. Compliance office have the right to obtain access to information necessary to carry out its responsibilities, conduct investigations of possible breaches of the compliance policy. The compliance is directly reporting to and have direct access to the Board of Directors or Compliance Committee.

The Compliance Unit is responsible for ensuring that the bank complies with the requirements, policies, circulars, and guidelines issued by BSP, BIR, LGUs, and other government agencies. Compliance unit thru the Chief Compliance Officer reports directly to the Compliance Committee on its monthly regular meetings which composed of at least three (3) 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 being assessed and presented to the Compliance Committee 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 bank may suffer as a result 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 Bangko Sentral ng Pilipinas (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 is consistent with AMLA with rules and designed according to the bank's corporate structure and risk profile. The MTPP program is approved by the Board of Directors and well disseminated to all officers and staff concerned. 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 bank conforms with high ethical standards in protecting the safety, soundness and integrity of the national banking and financial system
- Ensure that the identity of customers is established at all times along with ensuring that financially and socially disadvantaged are not denied access to financial services.
- Ensure that suspicious individuals or entities are denied from opening or maintaining an account or transacting with the bank.
- Adopting and implementing this MTPP risk management system to identify, assess, monitor and control risks associated with money laundering and terrorist financing.
- Ensure that 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 Bangko Sentral ng Pilipinas for the effective implementation and enforcement of these regulations.

The digital financial services of the bank were continuously strengthened to better serve our clients without compromising the health and security of our staff. With the increase in digital financial transactions, the bank also strengthened its monitoring activities on transactions, passing through our digital channels to ensure that the bank will not be used as a 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, as well as to ensure effective implementation of the MTPP programs, the following measures and processes were adopted relevant to covers the four areas of sound risk management practices that includes adequate and active Board and Senior Management oversight, acceptable policies and procedures embodied in the money laundering and terrorist financing prevention compliance program, appropriate monitoring and Management Information System and comprehensive internal controls and audit.

A. BOARD AND SENIOR MANAGEMENT OVERSIGHT

The bank's Board of Directors has 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, ensures 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. In order to ensure consistent and full compliance with money laundering and terrorist financing prevention program, the Regional Director is also designated as the liaison officer of the compliance office in their respective branches. The Regional Director is responsible for ensuring that all AML polices, laws and regulations are being implemented in the branch and all matters needing assistance are reported to the AML Compliance Officer in Head Office.

B. COMPLIANCE OFFICE

The Compliance office thru the AML Compliance Officer is primary responsible in the management of the implementation of the Money Laundering and Terrorist Financing Prevention Program (MTPP) of the bank including its subsidiaries and affiliates. 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. AML Compliance Officer is designated to handle the implementation of the MLTFPP program. She will be the liaison between the bank, the BSP and the AMLC in matters relating to Bank's AML/CFT compliance. She is assisted by AML Assistant Compliance Officers.

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 requirements and implementation of the entire CARD MRI group. Further, the CARD MRI group has regular coordination meeting of compliance, audit and risk officers to discuss 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 the 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/PF was identified, understood and assessed 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:

- i. Consider all relevant risk factors, including the results of national and sectoral risk assessments;
- ii. Adequately document results and findings; and
- iii. Be updated periodically or as necessary.

RISK MANAGEMENT

The risk management process is incorporated in the bank's management systems, processes, procedures, controls, products and services and all levels of operations and support services are involved. The respective unit heads/supervisors are the risk owners and are responsible in identifying risks at their levels through regular monitoring.

Risk management is independent from executive functions and business unit responsibilities, operations, and revenue-generating functions. Although the Vice President for Risk Management, may report to the President/CEO, he has direct access to the Board of Directors [the board] and Risk Oversight Committee [the ROC] without any impediment. The VP for Risk Management has sufficient stature, authority, and seniority within the Bank. He also has ability to influence decisions that affect the bank's exposure to risks and is engaged in discussions with the board, the ROC, and Senior Management on key risk issues and have access to the information deemed necessary to form sound judgment.

RISK CULTURE

CARD MRI Rizal 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, in compliance to Bangko Sentral ng Pilipinas (BSP) Circular No. 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.

THE 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 department for ensuring that risk assumed by the 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 TYPE, RISK APPETITE MONITORING AND PROFILING, RISK MANAGEMENT MITIGATION STRATEGIES, ACTIVITIES AND 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 as of December 31, 2024:

TYPE AND DESCRIPTION OF RISK	RISK PROFILE	MITIGATING STRATEGIES/ACTIVITIES
1. Credit Risk Denotes danger that borrower is not able or willing to pay the principal and/or interest at maturity date.	- Cases of client's willful loan reduction during renewal. - Highly volatile due to non-collateralized loans and non-payment by willful defaulters. - High loan loss provisioning eroding profitability and equity. - Breakdown of discipline by some client that impact some good borrowers. - Systemic Risk. Due to the continuous price instability (commodities) and the expected wane/ dim inish on economic growth that might impact the clients of the bank.	- Existing areas of operations for possible expansion of covered areas of operations; Continued client's recruitment and center/group formation within the existing areas of operation and opening of other barangays from the identified expansion areas of operations; Standardization of caseload base on per covered area/s of operations classification; Full utilization of the existing alternative delivery channels. The bank intensified its implementation of the following digital platform Members On-Boarding (MOB), Loan Originating System (LOS), CARMELA Chatbot Loan Facility, and others; Intensified Financial Access to Clients and their families. Streamlined loan renewal process; Offered variety of loan products; regular client-savers visit and encouraged them to avail loan; full implementation of 30 Client with Loan per Center (30 CWL); assigning officers to focus on savers client; promotion of all other loans products; Accomplishments Monitoring. Reinforce the regular accomplishment review were conducted to ensure productivity at all levels based on set approved targets; The bank has its effective Management Information System and the Data Control Center (DCC) that provides accurate and reliable reports of the bank over-all status of operations. - The following were implemented to strengthen Portfolio at Risk (PAR) Rehabilitation Strategies: Strengthened the Conduct of Loan Utilization Check (LUC). This is conducted to ensure loans released are utilized appropriately; Clients Credit Worthiness. Bank personnel are oriented on the appropriate financial capacity assessment during loan validation. The bank is actively participating in several client's loan information data sharing initiatives like the Credit Information Corporation (CIC) and the Microfinance Data Sharing (MiDaS); A Loan Assessment Form, with the use of Credit Risk Scoring or Borrower's Risk Rating to sufficiently assess the capacity of clients as well as their co-borrower; Loan Remediation Activities. The bank has assigned a full time Loan Remedial Officer (LRO) to ensure proper implementation of the bank loan remedial related activities; The management closely monitors clients with repayment problems, including those Bad Debts or Written-Off Accounts, In-Active Clients, Defaulting clients and those with lapsed microinsurance premium, among others; Visits with PAR and Defaulting Clients and or Bad Debts for possible issuance of compromise agreement and or endorsement for possible legal action; Rehabilitation program for worst hit branches; Reliable Management Information System. Generation of all reports used by the bank management as reference in the close monitoring of the bank over-all operations' performance; Implementation of the Back 2 Basic (B2B) Strategies. Strengthening implementation of all B2B strategies related credit policies, systems and procedures. - Other Strategies includes intensifying the rebuilding of credit discipline by clients thru enhancement of credit awareness and benefits as of clients, which includes undergoing livelihood training programs, and access to other non-financial services; Up-to-date reporting to the Executives/ Senior Management and Board of the bank; Strict compliance to the approved codified signing and approving authority; Enhancement of the Expected Credit Loss (ECL) Model for measuring credit impairment, in accordance with the provisions of PFRS 9; Completeness and accuracy of all loan documentations and corresponding requirements.
2. Operational Risks Risk to earnings or capital that may arise as a result of weakness in organizational structure, poor oversight function of board of directors and senior management, defective personnel recruitment/selection/hiring policy, weak internal control system, inadequate internal and external coverage and deficient management information system.	The bank ended its CY 2024 at Low Risk Level. - Human Resource/ People Risks and Fraud Risks - internal fraud, External fraud, incompetency, working force, interruption, wrongful 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,	First Line of defense: - Strengthening the implementation of Back to Basics thru re-issuance of policies, released amendments/ updates and conducted bank wide re-orientation; Implementation of the new process in handling admin cases ensuring careful implementation of appropriate sanction and following DOLE compliance procedures and documentary requirements. Staff Admin Cases (SAC) deliberation is conducted to properly handle all admin cases; 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 various graduate schools, universities, colleges and the like; Intensified monthly monitoring by the Executive and Management Committee following the newly set target; Regular management committee meeting once in a month; All employees are taking compliance examination in order to measure their level of awareness and understanding on all banks policies, processes and controls; Implementation of staff (field/admin) reshuffling following bank existing policy. Second line of defense: - Monitor assessment of the exposure to all types of operational risk faced by the company by assessing the quality and appropriateness of mitigating actions; Ensure that adequate controls and systems are in place to identify and address problems before they become major problems; Updating of bank risk appetite limits/ matrix, monitoring and handling breaches and implementation of the improved template and monitoring of Loss Event Database; Monitors Risk Control Self-Assessment (RCSA) status and ensures that all risk identified are all closed/ acted accordingly; Up-to-date reporting of the status of the operations related to risk to the ROC and to the Board level.

3. Reputational Risk	The bank ended its CY 2024 at Moderate Risk Level. - o Increasing number of lapsed micro-insurance premium. - o Increasing complaints from clients thru social media account of the bank and those that were directed to the branch thru the staff or suggestion box.	First line of defense: - Regular monitoring of Social Media accounts of the bank; Ensure concerns raised by clients are attended and appropriately managed; Monitoring of complaints logbook; Intensified function of the bank Customer Service Representatives (CSR); Monitoring by the different management levels to ensure proper implementation of policies and delivery of services to clients; Issuance of Liham Paalala for clients with lapsed BLIP/ GLIP Premiums. Second line of defense: - To monitor assessment of the exposure faced by the bank by assessing the quality and appropriateness of mitigating actions; Identify the potential sources of reputational risk exposures which shall include, among others, the business lines, liabilities, affiliated operations, off-balance sheet vehicles, and the markets where they operate; Monitor consumer complaints which could provide valuable insights into areas representing consumer protection risks and potential regulatory violations which may damage the Bank's reputation; Assessment of clients with availed insurance premium loans; Up-to-date reporting of the status of the operations related to risk to the ROC and to the Board level.
4. Environmental and Social Risks	The bank ended its CY 2024 at Low Risk Level. o Only 1.14% of the overall loan portfolio were noted to have possible related risk exposure to environment and social risks. Thus, there is no related issue or risk reported or encountered.	- The bank will intensify its implementation of Sustainable Finance and Environmental and Social Risk Management Framework to effectively manage risk arising from climate change and environmental hazards, support and upholding the principles and development strategy of the United Nations in achieving the 17 Sustainable Development Goals as well as promoting further financing to green or sustainable projects. Related activities are as follows: To maximize the use of all existing digital channels such as LOS, MOB, MOBCOLL, k2C and other alternative delivery channels to intensify campaigns for paperless transactions; Monitoring of client's activities, business and industrial sectors which are considered harmful to the environment. The bank has always included in its regular Loan Utilization Check (LUC) to ensure loans released are utilized appropriately; Intensify offering solar products thru solar loan, to help in reducing greenhouse gas emissions and mitigating climate change; Tree Planting Activities, Environmental Clean-Up Drive and a bank-wide Solid Waste Management in collaboration with respective LGUs and other Government Agencies such as DENR and DA promoting a green and clean environment; Intensify promotion of OL-Health Loan, conduct Community Health Day to ensure clients and their families' good health and well-being. - Up-to-date reporting of the status of the operations related to risk to the ROC and to the Board level.

5. Information Technology Risk Any risk related to information technology.	The bank ended its CY 2024 at Low Risk Level. As the bank uses technology to some extent, but not as aggressive as those classified as complex. And its branch network, IT organization and structure, and extent of IT projects are also relatively less significant than those of complex bank. Moreover, procedures on checking parameters and security of the system is already present.	First Line of defense: - Continues IT core team monitoring of all IT related issues/problems; Intensified the function of the existing bank IT Steering Committee; Regular monitoring of IT staff including officers from head office; Offline monitoring of IT related concerns; Each branch has a logbook of IT encountered problems which serves as reference and guidelines for IT staff in the conduct of their actions on the problems being reported; For security of data and source code of the system, IT staff has Confidentiality and Non-Disclosure Agreement; All IT personnel are well equipped. All are provided with access to IT/ ISO related trainings and further studies and capacity building; IT projects are well funded and full supported by all levels of the bank. Second line of defense: - Ensure that the risks under Information technology risk are monitored and report to the Risk oversight committee and Board Level as follows: Process Risk Areas. To check the processes, procedures and guidelines for managing risks if established and fully documented and reviewed for relevance and usefulness; Human Resources Management Risk Areas. To check if the assigned personnel should possess the required skills to handle the systems, equipment, services and facilities in placed and planned; To check if there is Succession planning for key positions that is established; To check if Procedures is put in place that all concerned personnel are briefed on the information security roles and responsibilities; Platform / Application Risk Areas. 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 of these software assets, management must consider the availability and adequacy of support to all platforms within the bank and/or IT service provider infrastructure; Network Security Risk Areas. To 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 should be 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; Physical / Environmental Risk Areas. To check and report if the physical installation and site of the data center, disaster recovery site(s) and other offices should be in a place free from environmental risks like flood, fire etc. Mitigating steps should be taken in cases that any site has been identified susceptible to these; Information Assets Risk Areas To check the following: All identified information and information assets should be securely stored with its full documentation for the continuous operations of the systems and infrastructure. Examples of Information assets are the actual data stored in the databases, documentation used to maintain, manage and operate the systems. These documentations should be maintained and kept updated. There should be proper process and procedures put in place for verification of all the documentations; Outsourcing/External Vendor Risk Areas. To check if Service level agreement put in place in outsourcing of work to vendors; Requirements and responsibilities are clear; To 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; To check if the Regular review on the vendor's service performance shall also be conducted by the IT Operations Unit; Bank's Responsibility Risk Areas to 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. Updating of bank risk appetite limits/ matrix, monitoring and handling breaches and implementation of the improved template and monitoring of Loss Event Database; Up-to-date reporting of the status of the operations related to risk to the ROC and to the Board level.
6. Information Security Risk Any risk related to information security.	The bank ended its CY 2024 at Low Risk Level. No Vulnerability and Penetration Testing (VAPT) though the bank has implemented different IT initiatives. However, the system provider has its security devices that could monitor their application and data. Moreover, the bank itself has layered of firewall to protect and monitor the bank's network from threats and cyber-attacks.	First Line of defense: - Installation of firewall; Regular monitoring of threats and attacks; Monitoring of data management; Effective assigned InfoSec Officer; Regular reporting to the management and to the Risk Oversight Committee; ISO personnel are well equipped. All are provided with access to IT/ ISO related trainings and further studies and capacity building. Second Line of defense: - The Risk Management department has its periodic security risk assessment to identify and understand risks on confidentiality, integrity, and availability of information and IT systems based on current and detailed knowledge of the bank's operating and business environments. The risk assessment includes an identification of information and IT resources to be protected and their potential threats and vulnerabilities; Updating of bank risk appetite limits/ matrix, monitoring and handling breaches and implementation of the improved template and monitoring of Loss Event Database; Up-to-date reporting of the status of the operations related to risk to the ROC and to the Board level;

7. Financial and Liquidity Risk Risk of a temporary cash flow problem, because assets can be liquidated by large discounts.	The bank ended its CY 2024 at Low Risk Level. At low risk due to savings composition which on the average 60% of fund are coming. In addition are the available credit lines.	First Line of defense: - Intensified function of Assets and Liability Management Committee (ALCO) that reviews liquidity position of the bank monthly; Early repayment and settlement of loan balances when there are excess funds; Management monitoring of continuous savings mobilization activities and program of the bank. Second Line of Defense: - o check if the obligations can pay on time where this is present and future debts taking into account the nature of performed activities and requirements due to changes in market environment by checking the financial position and contingent liabilities and commitments. Conduct liquidity stress testing; To check compliance to set risk appetite limits per risk sources. Up-to-date monitoring and reporting to the ROC and to the Board Level if compliant based on the set standard ratio or limit
8. Interest Rate Risks Risks to earnings or capital arising from mismatches of the timing within which interest rates on assets and liabilities can be changed.	The bank ended its CY 2024 at Low Risk Level. - No identified profile pertaining to this type of risk. - ALCO regularly monitor this risk.	- Process to coordinate interest rate risk sensitivity decisions is done by the Asset and Liability Committee (ALCO); 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. - Up-to-date reporting of the status of the operations related to risk to the ROC and to the Board level.
9. Market Risks Risk to earnings or capital arising from the possible decline in value of trading accounts and investment in equities and debt instruments.	The bank ended its CY 2024 at Low Risk Level. - Low risk because the bank is not yet involved with trading. - Investment and bills payable are being monitored by ALCO.	The bank ensures that it shall identify, measure, control and monitor market risks that may arise from the conduct of its business transactions and at its portfolio level at all times. Active and Appropriate Board and Senior Management Oversight; Proposals and the subsequent new product/activity review should be formal and written. Proposals must at least include the following to manage market risk inherent in new product: description of the relevant new product or strategy; use/purpose of the new product; identification of resources required and units responsible for establishing sound and effective market risk management or the product or activity; analysis of the reasonableness of the proposed activities in relation to the bank's overall financial condition and capital levels; procedure to be used to measure, monitor, and control the risks of the proposed product; An accurate, informative, and timely management information system must be regularly prepared and reviewed regularly in order to inform management and to support compliance with board policy. The report must at least contain the following: Summaries of the banks aggregate exposures; Reports demonstrating the bank's compliance with policies and limits; Summary of key assumptions, for example, non-maturity deposit behavior, pre-payment information, and correlation assumptions; results of stress tests, including those assessing breakdowns in key assumptions and parameters; and 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. Up-to-date reporting of the status of the operations related to risk to the ROC and to the Board level.
10. Regulatory/Compliance Risk Is the risk of legal or regulatory sanctions, financial loss, or loss to reputation a bank may suffer as a result of its failure to comply with all applicable laws, regulations, code of conduct and standards of good practice.	The bank ended its CY 2024 at Low Risk Level. - There are no noted non-compliance issues, the bank ensures its compliance to the Bangko Sentral ng Pilipinas (BSP) and to all other Government Agencies. - The bank has an established and strong Compliance Team that ensures the bank's full compliance to regulators.	First Line of defense: - With compliance committee conducting regular monthly meeting; Regular reporting of compliance risk issues to the Senior Management, Risk Oversight Committee and the Board Level; Compliance staff is also conducting regular monitoring and testing of branch compliance and HO based support units. Second line of defense: - Check and monitor the status of reporting to BSP if compliant; Reporting of compliance risk issues to the Risk Oversight Committee and Board Level; Conduct Risk Assessment to Compliance Unit.
11. ML/TF/PF Risk	The bank ended its CY 2024 at Low RISK LEVEL. Low risk as clients of the bank are those residing within the local community recruited by the staff and/ or their co-clients. They are generally low-income earners and	First Line of defense: - Continuing education and training program for the staff and officers of the bank; Manual and electronic monitoring (AMLA system) for accurate and on time reporting of Covered and Suspicious transaction; Regular monitoring of AMLA Officers. Second Line of defense: - Conduct of an appropriate assessment to have an understanding of the current ML/TF/PF risks arising from its customers, countries or geographic areas of operations, products, services, transactions, or delivery channels. Results of the risk assessments is being documented and appropriate measures to manage and mitigate identified ML/TF/PF risks were recommended, if necessary, which include the enhancement of policies and procedures as embodied in the MLTFPP.

12. Security Risk	The bank ended its CY 2024 at Low Risk Level. The assigned security officer regularly conducts branch visits. This ensures bank security and safety to avoid any possible security related risks, business interruption and mitigate potential other security/ safety related risks. It is recommended to continue Security Unit regular branch/ BLU visits/ monitoring and close review all devices installed in all bank branches to ensure its effective functionality	First Line of defense: - Ensures proper application of all security related measures at all levels of the bank branch operations; Regular visit of the assigned Security Officers of the bank. Second Line of defense: - Regular checking/ assessment of the bank installed CCTV/ frequency of updating and review. - Updating of bank risk appetite limits/ matrix, monitoring and handling breaches and implementation of the improved template and monitoring of Loss Event Database; - Up-to-date reporting of the status of the operations related to risk to the ROC and to the Board level.
13. Legal Risks Risks to earnings and capital that may arise as a result of unenforceable contracts, lawsuits, or adverse judgments.	The bank ended its CY 2024 at Low Risk Level. The bank has in place policy, systems and procedures in handling all possible case/s that may arise.	- Well set up detailed guidelines for legal documentation for particular 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. In this regard, the following executives and Legal Counsel are given! authority to decide whether to pursue staff cases or execute compromise agreement: Board of Directors (represented by its Chairman) money claims of more than Php100,000 and above; President/CEO money claims of more than Php50,000 but not more than Php 100,000; Legal Counsel money claims not exceeding Php50,000. - Following are the designated approving authorities on legal recommendations: Chairman of the Board; President/CEO; Legal Counsel - 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, 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 the bank such as: Lease contract for all banking offices; Contracts with security agencies; Loan agreements with creditors; Review of insurance premium being paid to Philippine Deposit Insurance Corporation; Periodic review and updating of legal documentation used by the bank. This is being done both in response to specific events (i.e. new case) that might require amendment and also on a regular basis in order to ensure that the bank remains in step with market practice and legal developments that might otherwise have escaped attention; Up-to-date reporting of the status of the operations related to risk to the ROC and to the Board level.

14. Business Continuity Program Management (BCP) Risk Risk to swiftly resume business operation in the event of business disruptions/ disasters	The bank ended its CY 2024 at Low Risk Level. Though the bank was in the stage of digital transformation wherein reliant to technology that may impact the operation. But, there were action taken and existing controls to relevant risks and ability of the bank to swiftly resume business operation in any disruptions/disasters	The bank have conducted a call tree testing wherein it was full participated by all employees at levels of bank. Coverage of the Business Continuity Management Program (Business Continuity Plan) as follows. Alternate and Business Recovery Sites shall refer to standby facilities for use during disruption of critical operations to ensure business continuity. These provide work-space and/or the necessary technology environment needed to process business-critical information; Business Continuity Management (BCM) shall refer to an enterprise-wide framework encompassing policies, standards, facilities, personnel and practices that provides for continuous functioning of the institution during disruptions; Business Continuity Plan (BCP)/Plan shall refer to a documented plan detailing the orderly and expeditious process of recovery, resumption, and restoration of business functions in the event of disruptions. It should be able to cover and establish linkages among its multiple components, such as communication plan, crisis management plan, contingency funding plan, and technology recovery plan; Business Impact Analysis (BIA) shall refer to the process of identifying and measuring (quantitatively and qualitatively) the business impact or loss of business processes in the event of a disruption. It is used to identify recovery priorities, recovery resource requirements, essential staff, and dependencies (internal and external) to be incorporated in the plan; Crisis shall refer to a situation that requires urgent action due to its disruptive impact on the bank's core activities or business and operating environment; Crisis Management Plan (CMP) shall refer to a documented plan detailing the actions to be taken when a crisis strikes a BSP and designed to maintain order amidst the confusion surrounding such situations. During and immediately after a crisis, the members of the crisis management team will convene and activate the plan to attain control over the crisis and minimize its impact to operations; Critical Process shall refer to any activity, function or service, which when lost would materially affect the continued operation of the bank; Cyber Resilience shall refer to an organization's ability to anticipate, handle, adapt to, and/or recover from evolving cyber threats; Events shall refer to disruption scenarios such as loss of people, technology, alternate site, and service providers; Pandemic shall refer to epidemics or outbreaks in humans of infectious diseases that have the ability to spread rapidly over large areas, possibly worldwide; Recovery Point Objective (RPO) shall refer to acceptable amount of data loss should a disruption occur without severe impact on the recovery of operations; Recovery Time Objective (RTO) shall refer to the period of time following an incident within which a product, system or business process must be resumed, or resources must be recovered; Resilience shall refer to the ability of an organization to anticipate, handle, adapt to and/or recover from a disruption and resume operations; Risk Assessment shall refer to the process involving the identification and assessment of potential threats and vulnerabilities that could severely interrupt the bank's business activities and the corresponding likelihood and magnitude of impact on business processes; Technology Recovery Plan (TRP)/Disaster Recovery Plan (DRP) shall refer to a documented plan detailing the technology strategy and requirements during recovery for business and support functions.
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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 branches/ HO base Support Unit and for those risks that cannot be resolved within the respective level are being discussed with senior management. The risks are identified through the following process:

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

RISK QUESTIONAIRES AND RISK SURVEYS

Focus Group Discussion (FGD) is also being done to identify other risk that needs prioritization. The FGD result is being presented to the management and the board for strategic management direction in managing risk.

RISK CONTROL SELF-ASSESSMENT

Risk and Control Self-Assessment (RCSA), is use to identify and an attempt to quantitatively measure the risks related to operational approaches, methods, models, processes and procedures. This RCSA plays important function in the overall operational risk framework, i.e. to identify, assess, control and mitigate operational risk, as it provides an opportunity to integrate and coordinate the risk identification and risk management efforts to improve the understanding and control of its operational risks.

RISK SCORING

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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 occur
5	Almost Certain	Greater than 80% of the risk to occur

IMPACT TO THE BANK

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]

They delegate authority to the committee to balance performance and compliance by ensuring that management's actions are consistent with the bank's strategy and in line with its risk tolerance. The committee delegates authority for identifying, analyzing, managing, and reporting risks to an independent Risk Management Department (RMD).

THE RISK OVERSIGHT COMMITTEE [the committee]

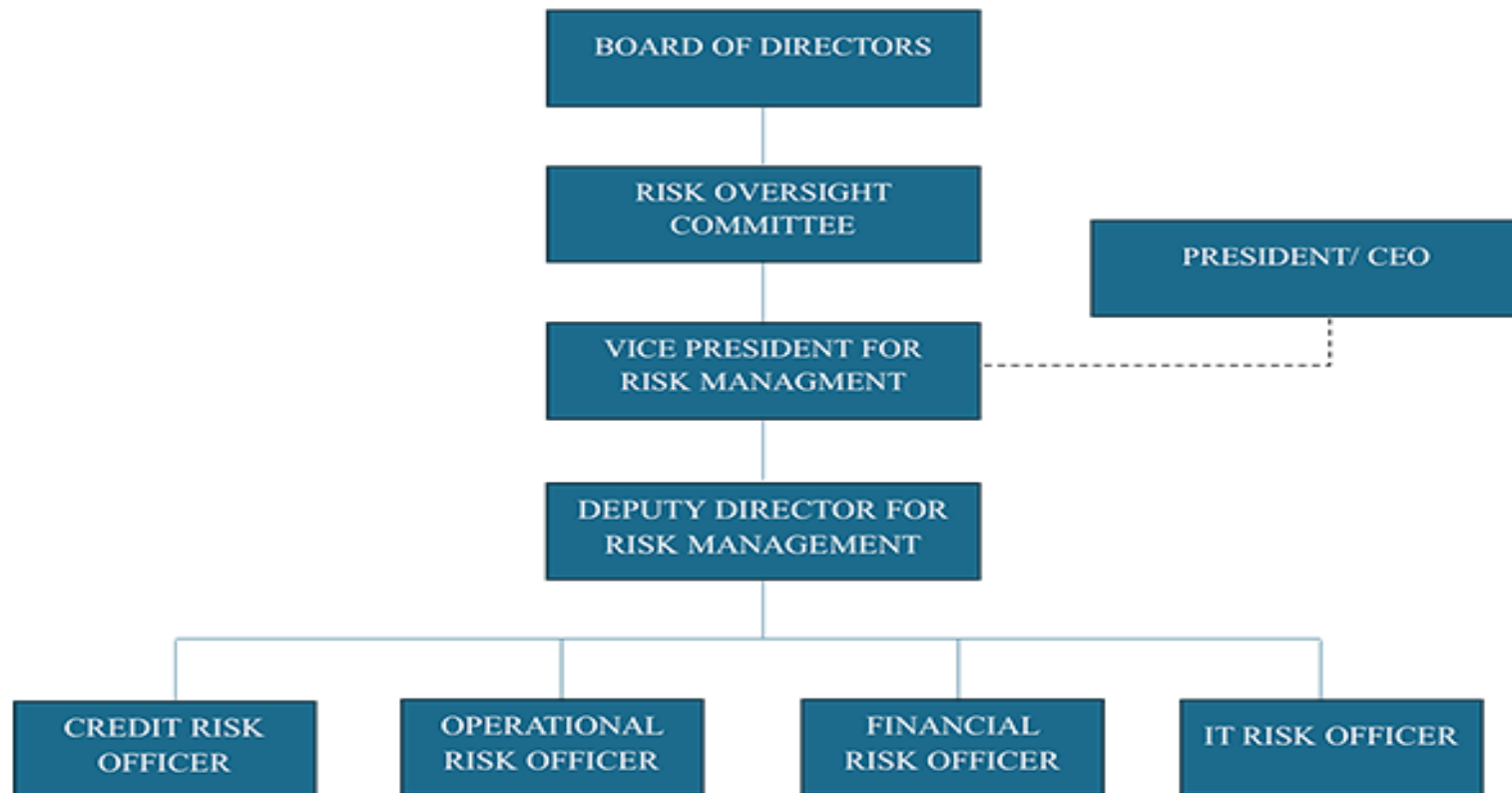
The bank had a founding vision being a bank that would be owned by the poor, especially by the landless rural women. This vision was kept intact by its Board Members, the management, and more importantly, by its members/clients. In line with this vision is the Board of Directors and management concern on "risk management". The creation and approval of risk oversight committee, other than compliance to Circular No. 456, is also a vital move by the 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 DEPARTMENT [the department]

The bank has a functioning independent risk management department that effectively covers all 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.

As of December 31, 2024, the department is headed by a Vice President for Risk Management, with the Bangko Sentral ng Pilipinas [the BSP] confirmed the appointment of Mr. Josef M. Leron as Head of the Risk Management Department. , The department is composed of Deputy Director for Risk Management (1), Credit Risk Officer (1), Operational Risk Officer (1), Financial Risk Officer (1) and IT Risk Officer (1).

RISK MANAGEMENT DEPARTMENT ORGANIZATIONAL STRUCTURE



SUSTAINABLE FINANCE FRAMEWORK

CARD MRI RIZAL BANK, Inc. [the bank] recognizes its critical role in pursuing sustainable and resilient growth by enabling environmentally and socially responsible business decisions consistent with the Government's aspirations for the Filipino People.

This framework 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.

The bank commits itself to minimizing its impact on our environment and social through:

- Being 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

Sustainable finance is critical to achieving the global Sustainable Development Goals (SDGs). The SDGs are a universal call to action to end poverty, promote inclusiveness, to build peaceful societies, and to protect the planet. The SDGs are an integration of the three dimensions of sustainable development: economic, environmental, and social. The bank is committed to support and uphold the principles and development strategy of the United Nations in achieving the 17 Sustainable Goals. The following are strategies of the bank to its journey towards sustainability:

NO.	SDGs	DIMENSION	RATIONALE	EXISTING INITIATIVES, ACTIVITIES AND PLANS	METRICS
1.	No Poverty	Social	End poverty in all its forms everywhere.	Empowering socially and economically challenged women and families with financial services; Microfinance Products and Services offers loans related to combating poverty; Progress Poverty Index (PPI).	Microfinance Loans, Total Disbursed for the Year; Number of Microfinance Clients
2.	Zero Hunger	Social	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.	Intensified financial access for clients engage in agricultural projects/business and initiatives; Possibility to provide feeding initiatives to the communities; Collaboration with respective local government units.	Agri Loans, Total Disbursed for the Year, Number of Agri Clients.
3.	Good Health and well-being	Social	Ensure healthy lives and promote well-being for all at all ages	Providing employees with health benefits access to an HMO, to PhilHealth, to health benefits including dental, and other health insurances including immediate family members; Providing clients with insurance (BLIP/GLIP) and health loan products; Access to affordable and or free doctor's services clinic for Free consultation, check-up, laboratory services, community health day and other health protection services; Access to affordable and safe medicines.	Total insurance clients to BLIP/GLIP. Insurance and Health Loans. Total Disbursed for the Year. Number of Clients. Number recipients of all medical related services.
4.	Quality education	Social	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Provide clients and employees with schooling programs to obtain a bachelor's degree in the established CARD MRI Development Institute (CMDI) campuses nationwide; Provide scholarships to children of clients and employees; Established the Zero Dropout Educational Scheme (ZeDrES); Credit with Education (CWE);	% of male and female staff, officers, sr. management, advisers, board, Leaders.

5.	Gender equality	Social	Achieve gender equality and empower all women and girls.		Educational Loans (MF). Total Disbursed for the Year/ As of. Number of Clients; Number of bank scholars; Employee
6.	Clean water and sanitation	Environmental	Ensure availability and sustainable management of water and sanitation for all.	Children of clients; Number of graduated; Number of employee with continues further education.	
7.	Affordable and clean energy	Environmental	Ensure access to affordable, reliable, sustainable, and modern energy for all.	Compliance with Philippines' Republic Act 9262 or Violence Against Women (VAW); Gender equality among clients and employees; The same career development, equal treatment, and opportunity for all male, female and those belongs to the LGBTQIA+ employees.	% of male and female staff, officers, sr. management, advisers, board, Leaders.
8.	Decent work and economic growth	Economic	Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.	CARD MRI's Commitment to Nation Building Environment Protection; HR Advisory: Paalalang Pangkaayusan at Pangkalinisan sa Lugar na Pinagtatrabahuhan at Himpilan; Polisiya at Patakaran Patungkol sa Kalikasan at Panlipunan; Sponsorship / Collaboration with government agencies/ LGU's in the conduct of clean up drive, tree planting and all other environmental protection drive/ initiatives.	No. of loans disbursed intended for multi-purpose loans (water bills settlements, latrine installation or water facilitation installation). Number of trees planted and numbers of all other environmental protection drive/ initiatives.
9.	Industry, innovation, and infrastructure	Economic	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.	IT initiatives implemented; Development and implementation of technology-based service delivery initiatives e.g. MOB, LOS, Chat-bot, DCM, ATM, konek2CARD; Less documents are needed, and less physical storage is required; Use of cloud services checklists compared to paper-based checklist; Continuous digital innovation.	Number of transactions using those digital channels; Number of trees save in using those digital initiatives.
10.	Reduced inequalities	Social	Reduce income inequality within and among countries.	Equal financial services opportunities for men and women; Acceptance of employees and clients with disability and equal treatment.	100% of the work environment practice non-discrimination and equal opportunity. Number of employees under PWD.
11.	Sustainable cities and communities	Economic	Make cities and human settlements inclusive, safe, resilient, and sustainable	All employees should have tumblers to prevent using plastic mineral waters; Avoid using plastic utensils; Proper segregation of garbage into Plastic, Paper and "Nabubulok"; Conducts tree planting and community cleaning; Project initiative on how we can give back to the community; CWE consideration regarding Sustainable Cities and Communities; Possible review of housing loan criteria.	Issued policies related to waste segregation and energy savings; Housing Loans Micro- Total Disbursed for the Year/ As of; Number of Clients – SME Total Disbursed for the Year/ As of Number of Clients; Number of clean-up drive activities.
12.	Responsible consumption and production	Environmental	Ensure sustainable consumption and production patterns	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.	Paper and electricity Consumption reduction.
13.	Climate action	Environmental	Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy.	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; Continues tree planting activities and in the future taking a big project related to caring of environment like adapting part in cleaning oceans, rivers, and lakes of a city/ town.	Tree Planting and Clean up drive for the year 2024; ESG related trainings attended
14.	Life below water	Environmental	Conserve and sustainably use the oceans, seas, and marine resources for sustainable development.	Conserve and sustainably use the oceans, seas, and marine resources for sustainable development.	Number of clean-up drive conducted.

15.	Life on land	Environmental	Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.	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.	Number of clean-up drive and tree planting activities conducted.
16.	Peace, justice, and strong institutions	Social	Promote peaceful and inclusive society for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels.	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.	100% of operation compliant to AMLC regulatory requirements; Number of branches which already conducted AMLC Training/ orientation; Number of staff attended: (year 2024 staff)
17.	Partnership for goals	Social	Strengthen the means of implementation and revitalize the global partnership for sustainable development.	Partnership with companies with sustainable development goals and ethical practices.	Number of clean-up drive and tree planting activities conducted.

1. SOCIAL. 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 institution such as banks, are an instrument for financial inclusion specifically in providing financial services to the poor who cannot be reached by many formal financial intermediaries. Microfinance-Banking is also a development strategy with significant potential for poverty alleviation and economic development. It is a tool to enable the poor to start their own business to survive in the society, lift out themselves from poverty, and save something to fulfill their basic needs. The provision of its products enables poor people to set up income generating activities that ultimately provide them with income for their domestic consumption.

2. ENVIRONMENTAL. Banks are involved in environmental management. The operations of a financial institution do not generate significant environmental and social impacts, but the way their clients manage impacts of their operations may pose risks to a financial institution. Client operations may also represent opportunities for additional financing and growth. All financial institutions are exposed to some level of environmental and social risk through their clients/investees. If left unmanaged, these risks can lead to a decline in the financial institution's reputational image, costly litigation, or loss of revenue.

3. ECONOMIC. The banking sector where CARD MRI Rizal 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. Its services contribute to the economic growth and poverty reduction. Its services may aid in reducing eruption of social and moral evils like prostitution, crimes, and the likes. The potential impact of microfinance in banking, to understand how it 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 ENVIRONMENT AND SOCIAL 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

The bank 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 the bank comply with the applicable national E&S laws and local regulations.
- Do not finance any activities on the exclusion list
- 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 Department. Through the SFF working team that was established, headed by a risk officer, status of SFF development and compliance is regularly reviewed and reported during monthly Risk Oversight Committee meetings. 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 engage 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 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 on 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:

- Production or activities involving harmful or exploitative forms of forced labor¹ or child labor;
- 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;
- Production of or trade in weapons and munitions, including paramilitary materials;
- Production of or trade in alcoholic beverages, excluding beer and wine;
- Production of or trade in tobacco;
- Gambling, casinos, and equivalent enterprises;
- Production of or trade in radioactive materials, including nuclear reactors and components thereof;
- Production of, trade in, or use of unbonded asbestos fibers;
- Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forests or old-growth forests; and
- 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.

2. SUSTAINABLE PRODUCTS AND SERVICES

a. Health Loan Products. The bank offers Other Loan-Health Loan Premium that is intended for health security and insurance premium payment of clients who intends 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. The coverage of laboratory test are, but not limited to the following, Complete Blood Count (CBC), Urinalysis, Lipid Profile, Blood Urea Nitrogen (BUN), Creatinine, Blood Uric (BUA), Cholesterol, Fasting Blood Sugar (FBS), Alanine Aminotransferase (ALT), Aspartate Aminotransferase (AST), Electrocardiogram (ECG) and Chest X-ray, etc.

b. Educational Loan Products. This loan product is intended to assist those clients who needs financial assistance to send their children or dependents to school. This loan program is aligned with CARD initiative to achieve one (1) family one (1) graduate and the Zero Drop-out Program. The bank believes that education has been the powerful tool to reduce poverty incidence in the country. The poor will get poorer unless he/she is able to read, write, and count, in order to compete. The objective of this Zero Dropout Program is to help poor families send, and eventually graduate their children to at least elementary education.

c. Solar Loan Product. The Bank also offers to extend loans to our clients to acquire solar products, with the following guidelines:

- Solar loan can be availed by the clients thru 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 and Unit Manager.

3. CREDIT STRATEGY.

The bank reviews the composition of its loan portfolio and also set credit limit based on its loan portfolio and also review its E&S risk exposure per industrial sector (i.e. Oil, Gas and Mining, Forestry, etc.). The results of stress testing and scenario analysis will be considered in setting credit strategy and risk appetite.

4. RISK MEASUREMENT, MONITORING

REPORTING AND CONTROL. E&S risks are monitored during the Risk Oversight Committee (ROC) meeting. E&S risk assessment tool will continuously be developed and will be considered in the credit scoring model of the bank.

OPERATIONAL RISK MANAGEMENT SYSTEM (ORMS)

A system that effectively identify, assess, monitor, report, and manage E&S risks related to operations. The bank has integrated in its day-to-day operations various 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. As part of the bank's 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 – office equipment are unplugged to minimize carbon emission, turning-off on certain times of the day, replacement to sustainable alternative, and regular maintenance.
- b) Reduce carbon footprints and avoid negative impact on the environment – maximizing the use of emails and other communication means that consumes energy, minimizing or avoiding usage of single use plastics, maximizing use of vehicles and use of alternative sustainable transportation means such as bicycles, etc.
- c) Proper Management of Hazardous waste – continuous implementation of waste segregation in all branches, offices, and staff houses, maintenance and proper discharge of wastewater, and compliance to sanitary and environmental permits.
- d) Activities to help fight climate change – schedule regular tree planting activities in coordination with the LGUs, discuss climate change and its effects and contributions to prevent global warming.
- e) Environment-Friendly Disposals Process of Office Documents – compliant to the Philippine Ecological Solid Waste Management Act of 2000, proper disposal of paper is adherent and considers recycling/maximization of paper wastes and handling by eligible disposal services.
- f) Other activities and initiatives – the 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 services of the bank is not just limited to loans and savings. The bank believe that client education is an important pieces for our client to live-out of poverty. Under this program, clients are trained in topics about health, entrepreneur and livelihood program, bank's products and services, microinsurance, disaster preparedness, and credit discipline and financial management. The CARD MRI Development Institute, Inc. prepared series of educational modules which are being run into program by our Account Officers during weekly center meeting.

3. Consumer Protection Practices. The bank adopts 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.

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT SYSTEM

The Environmental & Social Management System (ESMS) details the policy, procedures and workflow that are integrated and to be integrated in the bank's existing risk management framework and shall be followed by the bank's officers and employees.

- Identification of Risk and Impacts
- Component of Environmental and Social Risk Management System
- Environmental and Social Management System Committee, Composition, and Functions.
- Environmental and Social Risk Classification for Transaction
- Carrying out the Environmental and Social Due Diligence (ESDD)
- The Risk Management Function
- The Compliance Function
- The Internal Audit Function
- Reporting
- Other activities relative to Environmental and Social Risk Management: Stress testing - stress testing exercises may include scenario analysis using plausible scenarios and forward-looking information to avoid underestimating potential E&S risks. In conducting scenario analysis, banks must be able to take a view on the scenarios to be tested, the assumptions to be used, as well as the interplay between macroeconomic and environmental factors over the short, medium, and long-term horizons, and translate the analysis into key financial variables. Banks shall identify management actions to mitigate the relevant risks and respond to opportunities for each scenario; Credit Scoring - Integrate E&S risks in the bank's Internal Credit Scoring System, credit scoring model, and other credit risk measurements/methodologies. Adopt a methodology to translate the assessed E&S risks to potential impact on the cash flow of the borrower; Awareness Campaign - The bank may conduct awareness raising sessions with clients through CWE to impart with them the sustainability principles as well as the promotion of environmental and social protection.
- Risk control and mitigation

ENVIRONMENTAL, SOCIAL, ECONOMIC AND GOVERNANCE GOALS RISK APPETITE

INDICATOR	ACTIVITIES
ENVIRONMENTAL	
Percentage of portfolio to flood prone area/s under high-risk category. Exposure of bank loan portfolio in high-risk areas may heighten the possibility of clients experiencing/ undergo repayment problems in time of these unforeseen events.	Identification and assessment of Branches under high-prone to coastal/river floods and tsunami and/or have previous experience of extreme flood. The bank future implementation of hazard hunter map. To be more prudent in managing portfolio with exposure under high-risk areas the bank set an acceptable risk appetite with not more than 3% in credit risk.
100% Climate resilient BLUs and Branches. Exposure of office location in vulnerable areas represents the bank/office property exposed to a hazard and it can include socio economic factor. The possibility of loss in assets as well as the bank operations can be affected.	Set-up requirements Number of Offices vulnerable to climate risk (Hazard Hunter). All office locations should not be on a highly vulnerable site (based on hazard hunter assessment). All staff should undergo BCP & Disaster Recovery training.
Reduce carbon emission by about 10% from the operating activities. Risk exposure of increasing carbon emission may lead to global warming and climate change.	As part of the advocates of Green Financing, the CARD MRI Rizal Bank, Inc, offered solar loans to clients and ensuring access to clean and affordable energy offers to clients. Also, digital platforms have contributed to effective cutting trees that help to protect cutting trees. Regular monitoring, repair and maintenance of vehicles, equipment, and their usage, including the average gas consumption of field personnel, actual power consumption of all offices in KW and all vehicles are euro 4 compliant. Continuous adoption of renewable energy to offices and staffhouses. Optimization of server and switch to cloud services with lower carbon footprints. Use of environmental friendly supplies and materials.
Plant a minimum of 4,000 trees per year to offset 10% of carbon emission. Too much carbon emission contributes more carbon dioxide to the atmosphere, people added the natural greenhouse effect causing global temperature to rise.	CARD MRI Rizal Bank Inc., actively participating in tree planting activities in collaboration with respective LGU's and private organizations. Ensures that every quarter the banks have participation/collaboration in respective LGU's in environmental preservations. In 3 to 5 years, time, each bank personnel and client shall have planted 1 tree. After 10 years, projected carbon emission from operation activities should be requested.
SOCIAL	

No Loan application should be entertained/ approved with issue of child labor, labor dispute cases, unsafe workplace and involved in vice generating and illegal activities.	Regular monitoring of loan disbursement and their type of business and their ESMS. • Implementation of Environmental and Social Due Diligence procedures and checklist to identify necessary issues that should be mitigated. An exclusion list of activities shall be used during the screening. • If the activity of the project falls under the exclusion list, the prospect client will be informed, and the financing of project will be denied.
No./Percentage of clients provided water facilities and improved sanitation through loans. People lack access to basic sanitation services such as clean water may lead to contaminated water and poor sanitation are linked to transmission of diseases	Regular monitoring of loan disbursement and their type of business and their ESMS. • Enhance the capacity of banks to identify, finance and manage loans, which may affect the climate. • Increase awareness of climate benefits and business opportunities. • Implement the waste segregation as mandated by the local government. Additionally, the bank was strictly monitoring the business/industry to manage the risk which have great impact in Environmental and Social Risk
No./percentage of clients provided with housing and house improvement through loans. Individuals and families who lack affordable housing may have trouble paying bills on time, putting them at risk of eviction or even homeless.	Regular monitoring of loan disbursement and their type of business and their ESMS.
No./Percentage of clients provided with educational assistance through loans. Lack of education leads to poverty, unemployment and inequality.	Carrying out Environmental and Social Due Diligence (ESDD) review the project at the time of appraisal and ensure that project is meeting and expected to continue the applicable performance requirement.
No./Percentage of clients assisted in Business. Improvement through loans.	The bank continuously conducts Client with Education (CWE) during center meetings to discuss the importance of education and other related topics to improve/help their business. Also, the banks offer loans to give financial assistance in their business.
No./Percentage offering insurances to administer protection and provide replacement income in times of death, disability, sickness and old age.	Regular monthly/annual monitoring of loan insured. Conduct further investigation into unsecured loans of client. Clients with lapsed insurance shall undergo a contestability period of 1year.
Micro Financing Outreach Target. The portfolio of the bank can lead to liquidity problems, making it difficult to cover operational expenses or respond to unforeseen circumstances.	Annual reporting and review based on approved business plan and 5-year plan assessment. Conduct area mapping and survey of potential expansion. Conduct semiannual review of business plan. Promotes staff capacity building
Client Protection - Ageing on client's inquiry and concerns should be addressed within the standard turnover time. Unresolved customer complaints can lead to reputational damage, reduce customer loyalty and legal issues.	Regular monitoring of concerns and its ageing to ensure immediate and appropriate actions are taken.
ECONOMIC	
100% of offices implementing reuse strategies to minimize waste.	Bank officers shall include in their monitoring the implementation of waste segregation in covered area. Conduct of training and orientation shall be conducted for staff awareness in climate benefits.
Number/Percentage loans provided for renewable energy sources and water treatment devices.	Strengthen the conduct of regular monitoring for loans through the following: • Enhance the capacity of banks to identify, finance and manage loans, which may affect the climate. • Increase awareness of climate benefits and business opportunities.
Increase in number of clients engage in business and other economic activities and promotes employment using digital platforms. Ensure the smooth flow of money and economic activity.	Strengthen the conduct of regular monitoring for the bank's digital channels through the continuous campaign of digital innovation to ensure technological advancement. This will reduce the possibility of digital scams that are carried out using digital technologies such as computers and mobile devices.
Increasing in the number of agricultural activities in sustaining livelihoods, securing food production and providing income (Agri loan financing).	Strengthen the conduct of regular monitoring through providing loans, equipment, education and improving irrigation and technology to support the agricultural activities
Increasing in the number of Serving the socially and economically challenged women and families in the Philippines through financial access for MSME client.	Strengthen the conduct of regular monitoring through identifying the root cause for the reason of not achieving the target. Provide constructive feedback to coach and mentor the staff. Intensify training activities provided to MSME's client.
GOVERNANCE	
Institutionalize implementation of the bank sustainable finance framework and ESRM. Included in the bank strategies and activities approved by the board.	Continuous conduct of regular reporting of accomplishments through plan review and assessment, and monitoring of 5 year plan. This will include the results/impact per activities conducted, results/output of the bank strategies and activities approved by the board and results of activities related to SDGs.
Promote a culture that fosters environmentally and socially responsible business decisions.	Continuous conduct of regular reporting of accomplishments through plan review and assessment, and monitoring of 5 year plan. This will include the results of operations and financial activities of the bank.
Ensure that sustainability objective and policies are clearly communicated across the institution, and to its investors, clients and other stakeholders.	Continuous conduct of trainings and orientations to raise the awareness of bank staffs and clients, and ensure their commitment towards the achievement of the bank's SFF and ESRM related activities.

Institutionalize a capacity building program for the Board of Directors, all levels of management, and personnel.

Attendance of bank staffs and officers, including the Board, on trainings related to SFF and ESRM, and monitoring of accomplishments through regular monthly, bi-annual and annual basis. Bank also implemented Governance System that encompasses the six critical pillars of the bank consisting of (1) Board of directors that provides directions, strategies and governance (2) Senior management that carries implementation of strategies approved by the Board of Directors (3) Sustainable Finance Officer the overall in-charge in implementation and delivery of Sustainable Finance Framework (SFF) (4) Risk Management Head reports monthly accomplishments and sustainability objectives to the Risk Oversight Committee (5) Area Managers and Unit Managers responsible in procedure/implementation of ESRMS (6) Internal control system which cover implementation of key control function.

ENVIRONMENTAL AND SOCIAL RISK EXPOSURES OF THE BANK

As of December 31, 2024

Industrial Sector	No. of Clients	Loan Outstanding	% of Portfolio
Fishing	2,864	42,204,315	0.79%
Water supply, sewerage, waste management and remediation system	2	38,951	0.00%
Forestry	74	828,847	0.02%
Furniture and related products	973	17,098,592	0.32%
Oil, Gas and Mining	33	828,150	0.02%
Total	3,946	60,998,854	1.14%

DATA PRIVACY STATEMENT

Client privacy is a legal and ethical obligation of the bank. Hence, maintaining the privacy of clients' data 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 processes 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 as well as the appropriate measures to protect the data against natural and human dangers.

GENERAL STATEMENT

CARD MRI Rizal Bank, Inc. ("CARD RBI"), including its affiliates and subsidiaries and all members of the CARD Mutually Reinforcing Institutions ("CARD MRI"), values the confidentiality of personal data and committed in maintaining the privacy of its customers. This Data Privacy Statement ("Statement"), details how CARD RBI 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 RBI 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 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 RBI's banking/financial products and services and/or to implement client-requested transactions, CARD RBI 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
- Device and Location (IP Address, device type, geolocation)
- Biometrics (fingerprint)

HOW WE USE YOUR INFORMATION

CARD RBI uses your personal information to provide the services and products that you have availed or intend to avail from CARD RBI, 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 RBI'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 as authorized by regulatory agencies;
- 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 PERSONAL INFORMATION

- CARD RBI collects personal information through, but not limited to, any of the following:
- Face-to-face and/or telephone conversation with CARD RBI Customer Service Representative;
- Accomplishment and/or signing of forms/documents e.g. Mobile Banking Application – konek2CARD and konek2CARD Plus, HCIS, MOB, LOS);
- 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 RBI 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 RBI'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 RBI, 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 RBI for a period no longer than five years from the date of the termination of your account or of the specific transaction with CARD RBI, unless CARD RBI is required by law to retain the information for a longer period.

YOUR RIGHTS AS DATA SUBJECT

CARD RBI 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 RBI;
4. Require immediate correction of inaccurate or erroneous personal data under the custody of CARD RBI;
5. Suspend, withdraw or order the blocking, removal or destruction of your personal data from CARD RBI'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 RBI 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 RBI.

You may also visit the Customer Service Desk at any of CARD RBI's branches or call the Customer Service Hotlines at the following numbers:

Telephone Number: (049) 530-7284

Cellphone Numbers: 0917-132-7589 (Globe-call)
0999-880-4785 (Smart-call)
0961-017-0677 (Smart-call)
0938-744-6274 (Smart- text message only)

You may also e-mail us at cmrbi.csr@cardmri.com or visit our website <https://www.cardmri.com/rbi/>, or our social media page at <https://www.facebook.com/CMRBOfficial>

Alternatively, for any pressing concerns, you may reach our Data Protection Officer at the following contact information:

Email: cmrbi.compliance@cardmri.com

Telephone Number: (049) 523-1047

Address: P. Guevarra corner Aguirre St., Brgy. Poblacion, Sta. Cruz, Laguna

CHANGES TO OUR PRIVACY STATEMENT

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

CONSUMER PROTECTION POLICIES

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 protection.

- Promote fair and equitable financial services practices by setting standards in dealing with customers.
- Increase transparency in order 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 adherent 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 effectiveness of this system is periodically reviewed including reporting of findings and audit mechanism in place. Likewise, they assure that there is an effective monitoring and management of an information system to promptly identify, measure and analyze issues to determine the level of Financial Consumer risks. 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, Internal Audit unit likewise ensure that bank's consumer protection practices have been implemented and reviewed.

The bank's 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 its associated risks. This shall be applicable even to products and services offered electronically as well as to products catering to different market segments with particular consideration for segments that may have limited financial literacy. Moreover, the bank also complied with the proper notification procedures to its clients in terms of any changes or amendments to the terms and conditions.

b. Protection of customer Information

It is always the bank's primary responsibility to ensure protection of client information. As such, 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.

c. Fair Treatment

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

d. Protection of Consumer Assets Against Fraud and Misuse

Despite the changes towards digitization, CARD MRI Rizal Bank continues to adapt to such changes while continuing to safeguard the protection of its financial consumers through the implementation of bank's initiatives to mitigate the possible risks of fraud and misuse that may face by the financial consumers.

e. Effective Recourse

The bank has designated service helpdesk accountable on 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 have employ various modalities and technological innovations.

f. Financial Education and Awareness

The 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 tool/information materials shall be developed and disseminated to customers.
- Regular monitoring and assessment on campaign materials for possible improvement.

CONFLICT OF INTEREST

Members of the board, management, officers, and employees are committed to adhere 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 customers.

- 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 is 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.

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.cardmri.com/rbi) 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 customer assistance program of the bank.
- Several channels have been set up by the bank to ensure that customers are given the option to lodge their concern as follows;
 - a. Customer Service Officers (CSO) in the branch for walk-in clients;
 - b. 24/7 Customer Service Desk
Customer Service hotline numbers:
Telephone Number: (049) 530-7284
Cellphone Numbers: 0917-132-7589 (Globe-call) 0999-880-4785 (Smart-call)
0961-017-0677 (Smart-call) 0938-744-6274 (Smart- text message only)
 - c. Bank email address: cmrbi.csr@cardmri.com
 - d. Official website: <https://www.cardmri.com/rbi/>
 - e. Social media: <https://www.facebook.com/CMRBofficial>
- Installation of suggestion box and incidents complaint logbooks to all branches and branch-lite unit offices.

CORPORATE SOCIAL RESPONSIBILITY

Policy Objective

To cater in social empowerment in Corporate Social Responsibility (CSR) programs for CARD MRI Rizal Bank (CARD RBI), create more opportunities to raise savings mobilization, reduce default rates and measure more positive community impact among members.

Policy Statement

CARD RBI shall ensure that the CSR investment shall proactively consider as a business opportunity and strategy to support Social Performance Management as a whole.

For almost a decade, CARD RBI assured that the CSR addresses the impact on the lives of its beneficiaries, its relevance in addressing current society concerns, its long-term commitment to continue the program and services, and its effectiveness in inspiring other institutions to resonate the same initiatives.

CARD RBI aims to provide holistic social development service to the poor by giving its clients access to health services. The bank clients, their children and deserving students from indigent and poorest communities have also the opportunity to get educational assistance and scholarships. CARD RBI also ensures that its members and their families can get back on their feet through immediate provision of relief goods, stress debriefing, health missions, and immediate claims payment.

CARD RBI believes that financial support must be paired with suitable and effective community development services so that poverty eradication can be achieved. The bank has been very active in delivering various programs which may assist its clients to support their growing enterprises as well as their other needs in health and education.

A. SCHOLARSHIP PROGRAM

Believing that education brings about change in the community, CARD RBI together with members of CARD MRI offers educational assistance and scholarship through the CARD Scholarship Program (CSP) under the Resource Mobilization Unit (RMU) of CARD MRI. CSP has been actively and successfully providing a platform for qualified students to have well-deserved opportunities for education.

B. HEALTH PROTECTION PROGRAM

CARD RBI ensures that the health condition of its clients is protected. We found out that most members and their families suffer from common, treatable, and/ or preventable illnesses. Thus, the Microfinance and Health Protection Program was conceptualized. Greater availability and access to affordable physician consultation services; affordable, quality prescription drugs to treat the most common diseases; and more information about how to use health care services that are available, including when to seek treatment for themselves and their families are the greatest healthcare needs of these families.

Because of the lifting of social distancing measures, the bank and the CARD MRI have gone back to its regular activities in providing Credit with Education and other on-site activities.

1) Doctor Consultation (Physical and Online)

Because of the COVID-19 pandemic and the restriction on physical contact or implementation of social distancing, eDoctor consultation was conceptualized and implemented, to ensure health concerns of the clients and staff were still given appropriate assessment by the Doctor. Though the restriction has been lifted, the eDoctor consultation is maintained to ensure availability of the service to clients and staff unable to physically visit the clinic while the in-person consultation with Doctor is now also available.

2) CARD MediKaalaman

The CARD e-Doctor Facebook Page became a venue for CARD RBI to inform and educate the public about many health concerns and issues. We do free health webinars using the CARD e-Doctor FB page to discuss different health topics.

3) Health Education

CARD MRI nurses attended center meetings to teach health education and promote healthy lifestyles in our communities. They are also facilitated webinars and other online discussions for staffs and clients about health and wellbeing.

4) Community Health Days

CARD MRI partner doctors and nurses conducted free medical and dental check-ups to our clients and their families to different communities. CARD RBI advocates for a healthy family to also improve their quality of living.

5) Laboratory Services

Laboratory services were also provided by CARD MRI partner laboratories to CARD RBI staffs and clients for the year 2024. These services were offered at a very affordable/ discounted rate favorable to staff and clients without compromising the quality of the services.

6) Blood Donation

The bank also participated in blood donation drives for the year 2024. This initiative educates the staffs and clients the multiple benefits it offers such as saving lives, helping injured and potential health advantages for the donors that include lowering blood pressure, reducing heart disease and regulating iron level.

We continue to provide and strengthen these primary healthcare needs, scholarship grants, and business support which we already extended across the country.



STRENGTH THROUGH LIFE'S TWISTS AND TURNS

Life's challenges were never roadblocks for Emily Duot Balagoza—they were stepping stones to something greater. From humble beginnings in Davao City to managing multiple thriving businesses in Binangonan, Rizal, Emily's journey is a powerful testament to perseverance, resilience, and the unwavering belief that success is possible, no matter how difficult the road may seem.

Emily's story began with hardship. She lost her father at a young age, and her family was forced to leave their home in Sultan Kudarat, seeking stability in Davao. There, she grew up helping her mother farm, learning early on that survival meant hard work. Though she dreamed of earning a college degree and building a better life, financial struggles forced her to leave school after just one year. But she refused to let her circumstances define her future. In 1992, she made the courageous decision to move to Manila, chasing the promise of better opportunities. With no resources and no connections, she found work as a housemaid in Cainta, Rizal, a job that, while modest, gave her the chance to rebuild her dreams.

By 1994, she had settled in Binangonan, where she started her own family. Determined to create a stable home for her loved ones, Emily explored various ways to earn a living. She opened a small sari-sari store, selling daily essentials to her neighbors. To supplement their income, she also prepared and sold home-cooked meals, offering simple dishes that became favorites among customers. Meanwhile, she and her husband secured handicraft painting contracts from export companies, dedicating long hours to meticulous brushwork to meet production demands.

Emily's entrepreneurial journey took a significant turn in 2006 when she became a member of CARD, Inc. (A Microfinance NGO). With an initial loan of PHP 2,000, she invested in materials for their painting business, allowing them to accept more contracts and increase their earnings. For the first time, she felt a sense of financial empowerment, knowing that she had the means to expand her livelihood.

But life had yet another challenge in store. In 2009, Typhoon Ondoy struck, bringing severe flooding that submerged their home. The disaster wiped out their store, destroyed their handicrafts, and left them with almost nothing. It was a heartbreaking moment—years of effort washed away in an instant. Yet, even in the face of devastation, Emily refused to surrender. She found strength in her faith, in her family, and in the support of CARD, Inc. and other NGOs. With another loan, she rebuilt their store from the ground up, proving that setbacks are merely setups for comebacks.

However, balancing multiple responsibilities took a toll on her family life. In 2015, after much reflection, she made the difficult decision to step away from her MBA and CaMIA roles to support her husband's career. They returned to their handicraft

business, this time with a new vision—not just to sustain their own household, but to provide opportunities for others. They began recruiting women from their community, teaching them painting techniques and offering them income-generating work. It was a full-circle moment for Emily, who had once struggled to find stable employment herself. Now, she was helping others do the same.

Her ambitions didn't stop there. In 2018, she transitioned from being a client of CARD, Inc. to CARD MRI Rizal Bank, Inc. (CARD RBI), opening the door to larger loans that allowed her to dream bigger. Together with her husband, she ventured into the entertainment business, purchasing PlayStation and Nintendo consoles for a video game rental shop. Encouraged by its success, they expanded their offerings, adding more consoles and a karaoke machine. The business flourished, attracting customers of all ages who sought affordable entertainment in their community.

Later that year, her second child came to her with a new idea: opening a coffee shop. At first, she was hesitant. The pandemic had already taken so much—was it wise to take another risk? But seeing the determination in her child's eyes, she chose to believe in their vision. With a PHP 20,000 loan from CARD RBI, they launched Café in the Sky in January 2021. The early months were challenging, with low foot traffic and minimal sales. But her child's creative social media marketing efforts gradually attracted customers, and before long, the café became a popular hangout spot, drawing visitors from neighboring towns.

Their success inspired further expansion. By September 2021, they opened a second café, Kape-Hingahan. In April 2023, they launched Just Eat Café, and in February 2024, they introduced Emperor Fried Rice, each business reflecting their passion for good food and great service. What had once seemed like a failed investment had now blossomed into a thriving chain of businesses, proving that resilience and adaptability turn struggles into triumphs.

From an initial PHP 2,000 loan to managing a PHP 300,000 loan today, Emily's partnership with CARD RBI has not only empowered her financially but has transformed her family's future. Her remarkable journey of resilience and entrepreneurial success earned her recognition at the Pagkilala sa Mga Likha ni Inay Awards 2024, a testament to her courage, vision, and ability to rise above every obstacle.

Emily's story reminds us that success is not just about profit—it's about the courage to keep moving forward despite setbacks, the faith to believe in better days, and the strength to uplift others along the way. Through life's twists and turns, she has proven that with perseverance, hard work, and the right support, no dream is ever out of reach.



ROOTED IN CORE VALUES, FUELED BY PASSION & MISSION



"I commit to guiding our institution back to its core principles, ensuring that we remain rooted in our mission of serving the underserved with integrity and dedication."

Ms. Elma Valenzuela
Board of Director



"I will lead CARD RBI with a renewed focus on the fundamentals—ensuring that our microfinance services remain accessible, our operations stay mission-driven, and our commitment to uplifting communities grows stronger every day."

Ms. Lyneth Derequito
President & CEO



"Operations thrive on efficiency and reliability. I will refocus our strategies on timely center meetings, member engagement, and seamless service delivery to uphold the trust of our clients."

Ms. Juliana De Leon
Executive Vice President



"By reinforcing the basics of field operations, I will ensure that our loan processes, collection systems, and member interactions remain strong, transparent, and impactful."

Ms. Ma. Adoracion Ola
Senior Vice President for Operation



"I will strengthen our risk assessment protocols, ensuring that our financial stability remains strong while safeguarding our members' trust."

Mr. Josef Leron
Vice President for Risk Management



"I will ensure that CARD RBI's financial resources are optimized, properly allocated, and aligned with our mission of sustainable banking for the underserved."

Ms. Mary Grace Vergavera
Vice President for Finance



"I will reinforce strict adherence to regulatory requirements, ensuring that CARD RBI operates with integrity and unwavering accountability."

Mr. Hilario Umiten Jr.
Chief Compliance Officer



"Going back to basics means being present where it matters most. I will ensure that our branches are more engaged with members, strengthening relationships through proper monitoring and guidance."

Ms. Nenia Peralta
Assistant Vice President for Operation



"Strengthening field operations starts with consistent execution of policies. I will ensure strict adherence to center meeting attendance, timely collections, and quality client service."

Ms. Medelyn Alimagno
Assistant Vice President for Operation



"Microfinance works best when members feel supported. I will reinforce the importance of client education—ensuring they understand financial responsibility and the value of disciplined repayment."

Mr. Pedro Maniebo
Assistant Vice President for Operation



"I will optimize our IT systems to improve operational efficiency while ensuring accessibility and reliability for all stakeholders."

Ms. Maria Ernelyn Dajao
Director for IT Operations



"Back to basics means a sharper focus on accountability. I will enhance our audit systems to ensure that every financial and operational process is compliant, ethical, and transparent."

Ms. Carisa Anna Macoto
Deputy Director for Audit



"Bringing technology closer to the people, I will help in enhancing Konek2CARD reach and efficiency, ensuring that digital banking remains simple, secure, and accessible for every member."

Mr. Oliver Quinay

Deputy Director for Konek2CARD



"I will ensure that our workforce remains grounded in our mission by fostering continuous training, values formation, and a culture of service excellence."

Mr. Ron Ron Lanson

Deputy Director for HR



"Going back to basics means telling our story right. I will ensure that our marketing efforts stay true to our mission—highlighting real client impact, financial inclusion, and community empowerment."

Mr. Alex Benitez

Marketing Manager



"I will ensure that our cybersecurity measures are strong, minimizing threats and securing both institutional and client data from risks."

Mr. Glenn Matienzo

Information Security Officer



Audited Financial Statements

**CARD MRI Rizal Bank, Inc.,
A Microfinance-Oriented Rural
Bank**

Financial Statements
December 31, 2024 and 2023

and

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CARD MRI Rizal 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 22 and Revenue Regulations 15-2010 in Note 23 to the financial statements is presented for purposes of filing with the Bangko Sentral ng Pilipinas and the Bureau of Internal Revenue, respectively, and is not a required part of the basic financial statements. Such information is the responsibility of the management of CARD MRI Rizal 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. 08-001998-148-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10465262, January 2, 2025, Makati City

April 29, 2025

**CARD MRI RIZAL BANK, INC.,
A MICROFINANCE-ORIENTED RURAL BANK
STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2024	2023
ASSETS		
Cash and other cash items	₱29,819,478	₱38,018,429
Due from Bangko Sentral ng Pilipinas (Notes 6 and 10)	10,906,377	27,824,391
Due from other banks (Note 6)	1,430,648,757	1,488,122,030
Loans and receivables (Note 7)	5,305,563,816	4,855,592,398
Investment securities at amortized cost (Note 7)	259,654,201	118,982,250
Property and equipment (Note 8)	246,564,329	212,021,448
Retirement asset (Note 15)	–	23,459,733
Deferred tax assets (Note 18)	53,602,209	44,821,551
Other assets (Note 9)	113,703,842	91,632,917
	₱7,450,463,009	₱6,900,475,147
LIABILITIES AND EQUITY		
Liabilities		
Deposit liabilities (Notes 10 and 19)		
Regular savings	₱4,303,855,376	₱3,919,126,252
Special savings	103,882,146	98,754,575
Demand	19,533,487	4,771,953
	4,427,271,009	4,022,652,780
Bills payable (Note 11)	109,875,757	498,424,236
Income tax payable	82,408,906	64,295,280
Retirement liability (Note 15)	534,478	–
Other liabilities (Note 11)	508,890,176	395,995,765
	5,128,980,326	4,981,368,061
Equity		
Capital stock (Note 13)		
Common stock	1,365,000,000	1,050,000,000
Preferred stock	200,000,000	200,000,000
	1,565,000,000	1,250,000,000
Surplus free	787,311,947	679,821,531
Remeasurement loss on retirement plan (Note 15)	(30,829,264)	(10,714,445)
	2,321,482,683	1,919,107,086
	₱7,450,463,009	₱6,900,475,147

See accompanying Notes to Financial Statements.

**CARD MRI RIZAL BANK, INC.,
A MICROFINANCE-ORIENTED RURAL BANK**
STATEMENTS OF INCOME

	Years Ended December 31	
	2024	2023
INTEREST INCOME		
Loans and receivables (Note 7)	₱2,596,188,052	₱2,241,980,940
Due from other banks (Note 6)	80,322,419	80,139,195
Investment securities at amortized cost (Note 7)	14,977,810	5,963,522
	2,691,488,281	2,328,083,657
INTEREST EXPENSE		
Deposit liabilities (Notes 10 and 19)	131,083,368	116,903,517
Bills payable (Note 11)	8,922,417	1,774,155
Lease liabilities (Note 16)	7,368,221	5,986,816
	147,374,006	124,664,488
NET INTEREST INCOME	2,544,114,275	2,203,419,169
OTHER INCOME	34,677,300	30,457,893
TOTAL OPERATING INCOME	2,578,791,575	2,233,877,062
OPERATING EXPENSES		
Compensation and benefits (Notes 14, 15 and 19)	654,933,406	567,909,556
Taxes and licenses	203,204,900	177,588,584
Information technology	136,871,532	171,423,136
Transportation and travel	193,785,862	165,657,318
Depreciation and amortization (Notes 8 and 9)	98,096,542	101,928,503
Provision for credit losses (Note 7)	93,377,842	61,078,786
Stationery and supplies	93,144,976	70,704,960
Training and development	52,527,837	44,440,109
Rent (Note 16)	40,074,400	36,201,877
Security, messengerial, janitorial services	27,429,993	24,259,155
Power, light and water	17,722,096	17,109,244
Postage, telephone, cables and telegrams	14,638,952	11,187,071
Insurance	11,951,789	15,817,578
Seminars and meetings	8,249,078	13,386,476
Fines, penalties and other charges	6,144,243	2,506,264
Professional fees	5,088,861	1,639,992
Miscellaneous (Note 17)	52,184,535	40,979,486
	1,709,426,844	1,523,818,095
INCOME BEFORE INCOME TAX	869,364,731	710,058,967
PROVISION FOR INCOME TAX (Note 18)	216,874,315	177,462,971
NET INCOME	₱652,490,416	₱532,595,996

See accompanying Notes to Financial Statements.

**CARD MRI RIZAL BANK, INC.,
A MICROFINANCE-ORIENTED RURAL BANK**
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2024	2023
NET INCOME	₱652,490,416	₱532,595,996
OTHER COMPREHENSIVE GAIN (LOSS)		
Other comprehensive gain not recycled to profit or loss in subsequent periods:		
Remeasurement on retirement plan (Note 15)	(26,819,758)	(18,471,667)
Income tax effect (Note 18)	6,704,939	4,617,917
	(20,114,819)	(13,853,750)
TOTAL COMPREHENSIVE INCOME	₱632,375,597	₱518,742,246

See accompanying Notes to Financial Statements.

**CARD MRI RIZAL BANK, INC.,
A MICROFINANCE-ORIENTED RURAL BANK**

STATEMENTS OF CHANGES IN EQUITY

	Common Stock (Note 13)	Preferred Stock (Note 13)	Surplus Free (Note 15)	Remeasurement Loss on Retirement Plan (Note 15)	Total
Balances at January 1, 2024	₱1,050,000,000	₱200,000,000	₱679,821,531	(₱10,714,445)	₱1,919,107,086
Total comprehensive income for the year	–	–	652,490,416	(20,114,819)	632,375,597
Declaration of stock dividends (Note 13)	315,000,000	–	(315,000,000)	–	–
Declaration of cash dividends (Note 13)	–	–	(230,000,000)	–	(230,000,000)
Balances at December 31, 2024	₱1,365,000,000	₱200,000,000	₱787,311,947	(₱30,829,264)	₱2,321,482,683
Balances at January 1, 2023	₱1,006,419,700	₱200,000,000	₱507,225,535	₱3,139,305	₱1,716,784,540
Issuance of shares (Note 13)	43,580,300	–	–	–	43,580,300
Total comprehensive income for the year	–	–	532,595,996	(13,853,750)	518,742,246
Declaration of cash dividends (Note 13)	–	–	(360,000,000)	–	(360,000,000)
Balances at December 31, 2023	₱1,050,000,000	₱200,000,000	₱679,821,531	(₱10,714,445)	₱1,919,107,086

See accompanying Notes to Financial Statements.

**CARD MRI RIZAL 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	₱869,364,731	₱710,058,967
Adjustments for:		
Depreciation and amortization (Notes 8 and 9)	98,096,542	101,928,503
Provision for credit losses (Note 7)	93,377,842	61,078,786
Amortization of documentary stamp tax on bills payable (Notes 11 and 20)	1,690,993	255,058
Retirement expense (Note 15)	10,460,096	8,108,644
Amortization of financial assets at amortized cost	(7,046,256)	(511,754)
Operating income before changes in operating assets and liabilities:	1,073,312,169	880,918,204
Decrease (increase) in the amounts of:		
Loans and receivables	(543,349,260)	(632,738,084)
Other assets	(26,479,587)	21,932,145
Increase (decrease) in the amounts of:		
Deposit liabilities	404,618,229	(45,820,326)
Other liabilities	81,052,739	65,722,711
Net cash generated from operations	981,786,069	290,014,650
Income taxes paid	(200,836,408)	(121,091,719)
Contributions to retirement assets (Note 15)	(13,285,643)	(25,420,671)
Net cash provided by operating activities	767,664,018	143,502,260
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment (Notes 8 and 20)	(29,204,372)	(22,025,966)
Placement on investment securities at amortized cost (Note 7)	(396,385,945)	(40,933,524)
Proceeds from maturity of investment securities at amortized cost (Note 7)	262,760,250	6,232,699
Net cash used in investing activities	(162,830,067)	(56,726,791)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Subscription of shares (Notes 13 and 20)	–	43,580,300
Availment of bills payable (Notes 11 and 20)	109,760,528	498,169,178
Settlements of:		
Bills payable (Notes 11 and 20)	(500,000,000)	–
Dividend distribution (Notes 13 and 20)	(230,328,369)	(359,464,325)
Payment of principal portion of lease liabilities (Notes 16 and 20)	(66,856,348)	(63,661,381)
Net cash provided by financing activities	(687,424,189)	118,623,772
NET DECREASE IN CASH AND CASH EQUIVALENTS	(82,590,238)	205,399,241

(Forward)

**CASH AND CASH EQUIVALENTS
AT BEGINNING OF YEAR**

	Years Ended December 31	
	2024	2023
Cash and other cash items	₱38,018,429	₱48,452,725
Due from Bangko Sentral ng Pilipinas	27,824,391	83,383,507
Due from other banks	1,488,122,030	1,216,729,377
	1,553,964,850	1,348,565,609
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and other cash items	29,819,478	38,018,429
Due from Bangko Sentral ng Pilipinas	10,906,377	27,824,391
Due from other banks	1,430,648,757	1,488,122,030
	₱1,471,374,612	₱1,553,964,850
OPERATIONAL CASH FLOWS FROM INTEREST		
Interest received	₱2,702,072,536	₱2,302,655,682
Interest paid	74,763,657	70,746,341

See accompanying Notes to Financial Statements.

**CARD MRI RIZAL BANK, INC.,
A MICROFINANCE-ORIENTED RURAL BANK**
NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

CARD MRI Rizal Bank, Inc., A Microfinance-Oriented Rural Bank (the Bank) was incorporated under Philippine laws by virtue of Securities and Exchange Commission (SEC) Certificate of Registration No. AS094-11394 dated December 15, 1994 with a corporate life of 50 years. Based on the provisions of Republic Act (RA) No. 11232, otherwise known as “An Act Providing for the Revised Corporation Code of the Philippines,” the Bank has a perpetual existence.

The Bank was granted the authority by the Bangko Sentral ng Pilipinas (BSP) to operate on April 29, 1996. It was established primarily to engage in the business of rural banking as defined and authorized under RA No. 3779, As Amended, such as granting loans to small farmers and to deserving rural enterprises, as well as receiving deposits in accordance with the regulations promulgated by the Monetary Board.

As of December 31, 2024 and 2023, the Bank’s majority stockholder is CARD Bank, Inc.

The principal place of business of the Bank is at P. Guevarra St., Cor. Aguirre St., Brgy. Poblacion 2, Sta. Cruz, Laguna. As at December 31, 2024, the Bank consists of its head office and thirty-seven (37) branches.

2. Material Accounting Policy Information

Basis of Preparation

The accompanying financial statements have been prepared on a historical cost basis. The financial statements are presented in Philippine peso (₱), the Bank’s functional currency, and all values are rounded to the nearest peso except when otherwise indicated.

Presentation of Financial Statements

The Bank presents its statement of financial position broadly 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 (noncurrent) are disclosed in Note 12.

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position 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 of the counterparties.

The Bank has no offsetting arrangements with its counterparties.

Statement of Compliance

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

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

The accounting policies adopted are consistent with those of the previous financial year except for the following new accounting pronouncements which became effective as of January 1, 2024. These changes in the accounting policies did not have any significant impact on the financial position or performance 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

Fair Value Measurement

For measurement and disclosure purposes, the Bank determines fair value of an asset or a liability at initial measurement date or at each statement of financial position date. Fair value is the price that would be received to sell an asset or paid to transfer the 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 the 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 the market participants would use when pricing the asset or liability assuming the 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 nonfinancial 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 is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Cash and Cash Equivalents

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

Due from BSP includes the statutory reserves required by the BSP which the Bank considers as cash equivalents as withdrawals can be made to meet the Bank's cash requirements as allowed by the BSP. The components of cash and cash equivalents are shown in the statement of cash flows. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

Financial Instruments - Initial Recognition and Subsequent Measurement

Date of recognition

Regular way purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market, except for derivatives, are recognized on the settlement date. Settlement date is the date on which the transaction is settled by delivery of the assets that are the subject of the agreement. 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 it is delivered by the Bank.

'Day 1' difference

Where the transaction price in a non-active market is different from the fair value or 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 unless it qualifies for recognition as some other type of asset.

In cases when the fair value is determined using data which are 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

Under PFRS 9, 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 fair value through profit or loss (FVTPL).

Business model assessment

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

Debt 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 solely payments of principal and interest on the principal amount outstanding.

Debt 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', 'Investment securities at amortized cost', 'Loans and receivables', and refundable rental (included under 'Other assets') as financial assets at amortized cost.

The Bank may irrevocably elect at initial recognition to classify a financial asset that meets the amortized cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the debt financial asset been measured at amortized cost.

As of December 31, 2024 and 2023, the Bank has not made such designation.

Financial liabilities

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).

This accounting policy relates to the statement of financial position captions 'Deposit liabilities', 'Bills payable' and financial liabilities presented under 'Other liabilities'.

Impairment of Financial Assets

Expected credit losses (ECL) represent 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. 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

For non-credit-impaired financial instruments:

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a SICR since initial recognition. The Bank recognizes a 12-month ECL for Stage 1 financial instruments.
- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Bank recognizes a lifetime ECL for Stage 2 financial instruments.

For credit-impaired financial instruments:

- Financial instruments are classified as Stage 3 when there is 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 ECL model requires that lifetime ECL be recognized for impaired financial instruments.

The Bank recognizes lifetime ECL on all of its non-impaired financial instruments since the Bank assessed that the expected life of its financial assets does not exceed 12 months. As a result, the Bank considers these instruments under Stage 1, regardless whether SICR already exists since initial recognition.

The Bank uses internal credit assessment and approvals at various levels to determine the credit risk of exposures at initial recognition. Assessment can be quantitative or qualitative and depends on the materiality of the facility or the complexity of the portfolio to be assessed.

The Bank defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, in all cases when the borrower becomes at least 90 days past due on its contractual payments. As a part of a qualitative assessment of whether a customer is in default, the Bank also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Bank carefully considers whether the event should result in treating the customer as defaulted. 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 for a consecutive period of 180 days (i.e. consecutive payments from the borrowers for 180 days).

ECL parameters and methodologies

ECL is a function of the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD), 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 represents the likelihood that a credit exposure will not be repaid and will go into default. EAD represents an estimate of the outstanding amount of credit exposure at the time a default may occur. For off-balance sheet and undrawn amounts, EAD includes an estimate of any further amounts to be drawn at the time of default. LGD is the amount that may not be recovered in the event of default. LGD takes into consideration the amount and quality of any collateral held.

Economic overlays and multiple economic scenarios

The Bank incorporates economic overlays into the measurement of ECL to add a forward-looking risk measure parallel to multiple future macroeconomic atmosphere expectations. 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

Financial asset carried at amortized cost

For financial assets carried at amortized cost, which includes 'Loans and receivables', 'Due from BSP', 'Due from other banks', and refundable rental deposits under 'Other assets'. The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

If the Bank determines that no objective evidence of impairment exists for individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses for impairment. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the counterparties' ability to pay all amounts due according to the contractual terms of the assets being evaluated. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment for impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of loss is charged to the statement of income. Financial assets, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery and all collateral has been realized. If, subsequently, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account.

If a write-off is later recovered, any amounts formerly charged are credited to 'Miscellaneous' in the statements of income.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of such credit risk characteristics as days past-due and term. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group.

Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period in which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Estimates of changes in future cash flows reflect and are directionally consistent with changes in related observable data from period to period (such as changes in unemployment rates, payment status, or other factors that are indicative of incurred losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Bank to reduce any differences between loss estimates and actual loss experience.

Restructured receivables

Where possible, the Bank seeks to restructure receivables, which may involve extending the payment arrangements and the agreement of new receivable conditions. Once the terms have been renegotiated, the receivable is no longer considered past due.

Management continuously reviews restructured receivables to ensure that all criteria are met and that future payments are likely to occur. The receivables continue to be subject to an individual or collective impairment assessment, calculated using the receivable's original EIR. The difference between the recorded value of the original receivable and the present value of the restructured cash flows, discounted at the original EIR, is recognized in 'Provision for credit losses' in the statements of income.

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 statements 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.

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:

- a. the rights to receive cash flows from the asset have expired; or
- b. 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
- c. 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. In that case, the Bank also recognizes an associated liability. The transferred asset and associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the 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.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where 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.

Prepayments

Prepayments are expenses paid in advance and recorded as asset before they are utilized. This account consists of prepaid rentals and prepaid expenses under 'Other assets' in the statement of financial position. Prepayments are apportioned over the period covered by the payments and charged to the appropriate accounts in the statements of income when incurred.

Property and Equipment

Depreciable property and equipment, which include building, furniture, fixtures and equipment, information technology equipment, transportation equipment and leasehold improvements, are stated at cost less accumulated depreciation and amortization, and any impairment in value. Land is stated at cost less any impairment in value.

The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged against operations in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

The initial cost is comprised of construction costs and any other directly attributable costs of bringing the asset to its working condition and location for its intended use. Construction-in-progress is not depreciated and is transferred to the related property and equipment account when the construction or installation and related activities necessary to prepare the property and equipment for their intended use are completed, and the property and equipment are ready for use.

Depreciation is calculated on the straight-line method over the estimated useful lives (EUL) of the depreciable assets. The EULs of the depreciable assets follow:

Building	10 years
Furniture, fixtures and equipment	3 to 7 years
Information technology equipment	3 to 5 years
Transportation equipment	3 years
Leasehold and improvements	5 years or the terms of the related leases, whichever is shorter

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

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amounts.

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

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation is credited against statement of income.

Intangible Assets

The Bank's intangible assets include software costs under development and purchased licenses amortized on a straight-line basis over EUL of 3 years and recognized under 'Other assets' in the statement of financial position. An intangible asset is recognized only when the cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Bank.

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.

If the Bank acquires intangible assets by subcontracting other parties (e.g., development-and-supply contracts or research and development contracts), the Bank 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 Bank 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.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and they are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statements of income under 'Depreciation and amortization'.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statements of income when the asset is derecognized.

Impairment of Nonfinancial Assets

At each reporting date, the Bank assesses whether there is any indication that its non-financial 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 exceeds its recoverable amount, the asset 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.

An impairment loss is charged to the statement of income in the year in which it arises. 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.

Deposits for Future Stock Subscription (DFS)

DFS represents payments made on subscription of shares which cannot be directly credited to 'Preferred stock' or 'Common stock' pending registration with the SEC of the amendment to the Articles of Incorporation increasing capital stock.

Under SEC Financial Reporting Bulletin No. 006 issued in 2012 and amended in 2013, an entity should not consider a DFS as an equity instrument unless all of the following elements are present.

1. The unissued authorized capital stock of the Bank is insufficient to cover the amount of shares classified as deposits for future shares subscriptions;
2. The entity's BOD and shareholders have approved an increase in capital stock to cover the shares corresponding to the amount of the deposit; and
3. An application for the approval of the increase in capital stock has been filed with the SEC and BSP.

If any or all of the foregoing elements above are not present, the DFS should be recognized as a financial liability.

Equity

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. Capital stock consists of common and preferred. Preferred stocks are: (a) cumulative, (b) non-voting, and (c) non-redeemable.

Common stock is recognized at subscribed amount net of any subscription receivable. This will be credited upon full payment of the subscription and issuance of the shares of stock.

Surplus represents the cumulative balance of periodic net income or loss, dividend contributions, prior period adjustments, effect of changes in accounting policy and other capital adjustments.

Cash dividends are recognized as liability and deducted from the equity when approved by the BOD while stock dividends are deducted from equity when approved by BOD and ratified by stockholders. Dividends for the year that are approved after the reporting date are dealt with as subsequent events. Stock issuance costs are accounted for as deduction from equity.

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 plan 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.

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.

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, initial direct costs incurred, and lease payments made at or before the commencement date less any 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 assets, as follows:

	Years
Office space	2 - 12 years
Vehicles	1.5 - 2 years

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.

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 (unless they are incurred to produce inventories) 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.

Short-term leases and leases of low-value assets

The Bank applies the short-term lease recognition exemption to its short-term leases of machinery. It also applies the lease of low-value assets recognition exemption to leases of machinery that are considered to be low value. 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.

Operating lease - Bank as lessee

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized under 'Rent' in the statements of comprehensive income on a straight-line basis over the lease term.

Revenue Recognition

Interest income

For all financial assets measured at amortized cost, interest income is recorded at EIR, which is the rate that exactly discounts estimated future cash payments or receipts through the expected 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 including 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.

Under PFRS 9, when a financial asset becomes credit-impaired, 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.

Expense Recognition

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

Interest expense

Interest expense for financial liabilities is recognized in 'Interest expense' in the statements 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.

Employee leave entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The Bank allows to carry-over maximum of 30 and 60 days paid leave for its staff and managerial levels, respectively. Employees can convert to cash up to ten (10) days leave credits in the following year. The excess of the allowed leave credits shall likewise be converted to cash. The undiscounted liability for leave expected to be settled after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period and reported under 'Other liabilities' in the statements of financial position.

For leave entitlements expected to be settled for more than twelve months after the reporting date, valuation of the liability is dependent on certain assumptions used by the Bank's internal actuary. These include, among others, discount rate, future salary increase rate, and turnover rate. As at December 31, 2024 and 2023, valuation methodology used was Earned Portion Present Value of Expected Future Liability and reported under 'Other Liabilities' in the statements of financial position.

Income Taxes

Current tax

Current tax assets and current tax liabilities for the current period 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 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 with exceptions. Deferred tax assets are recognized for all deductible temporary differences, carry forward 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 carry forward of unused excess MCIT over RCIT and unused NOLCO can be utilized.

Deferred tax, 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 the transaction, affects neither the accounting income nor taxable income or loss.

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 deferred tax 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.

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.

Current income tax and deferred income tax relating to items recognized directly in equity is recognized in OCI, and not in profit or loss.

Provisions and Contingencies

Provisions are recognized when the Bank has a present obligation (legal or constructive) where, as a result of a past event, 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. When the Bank expects some or all of a provision to be reimbursed, 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 comprehensive 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 time value of money is recognized as 'Interest expense' in the statement of comprehensive income.

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

Events After the Reporting Date

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

Standards Issued but Not Yet Effective

Pronouncements issued but not yet effective are listed below. The Bank intends to adopt the following pronouncements when they become effective. Unless otherwise stated, adoption of these pronouncements is not expected to have a significant impact on the Bank's 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, if any. 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

When the fair values of financial assets and financial liabilities recognized or disclosed in the statements of financial position cannot be derived from active markets, these are determined using internal valuation techniques using generally accepted market valuation models.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. These judgments may include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives.

b) Determination of the lease term for lease contracts with renewal and termination options

The Bank determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Bank has several lease contracts that include extension and termination options. The Bank applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Bank reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization of the leased asset).

Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next period, are described below. The Bank based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the Bank. Such changes are reflected in the assumptions when they occur.

(a) Expected credit losses on financial assets (PFRS 9)

The Bank's ECL calculations are outputs of complex with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Significant factors affecting the estimates on the ECL model include:

- Segmentation of the portfolio, where the appropriate model or ECL approach is used
- The 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 ECL basis and the qualitative assessment.
- The segmentation of the financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of association between macroeconomic scenarios and economic inputs and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs to the ECL models

The related allowance for credit losses of financial assets are disclosed in Note 7.

(b) Present value of defined benefit obligation

The cost of defined benefit retirement plan and other post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, and mortality rates. Due to the complexity of the valuation, the underlying assumptions and long-term nature of these plans, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout at reporting date, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. Future salary increases are based on expected future inflation rates for the specific country. The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements.

The Bank's net retirement asset are disclosed in Note 15.

4. Fair Value Measurement

As of December 31, 2024, and 2023, except as discussed below, the carrying values of the Bank's financial assets and financial liabilities as reflected in the statements of financial position and related notes approximate their fair values.

The methods and assumptions used by the Bank in estimating fair values of financial instruments for which fair value is disclosed are as follows:

Cash and other cash items, due from BSP, due from other banks, current portion of receivables, accrued interest receivable, current portion of refundable rental deposits, current portion of deposit liabilities, bills payable, accrued interest payable, accounts payable, other and dividends payable. Fair values of these financial instruments approximate their carrying values in view of the short-term maturities of these instruments.

The following tables summarize the carrying amounts and the fair values by level of the fair value hierarchy of the Bank's financial assets and liabilities as at December 31, 2024 and 2023:

	2024				Total Fair Value
	Carrying Value	Level 1	Level 2	Level 3	
Assets and liabilities for which fair values are disclosed:					
Financial assets					
Investment securities at amortized cost	₱259,654,201	₱–	₱235,972,019	₱26,378,855	₱262,350,874
Other assets					
Refundable rental deposits	15,849,895	–	–	11,082,905	11,082,905
Investment in equity securities	1,000,000	–	–	1,063,090	1,063,090
Financial liabilities					
Deposit liabilities	4,427,271,009	–	–	2,750,403,155	2,750,403,155
	2023				Total Fair Value
	Carrying Value	Level 1	Level 2	Level 3	
Assets and liabilities for which fair values are disclosed:					
Financial assets					
Investment securities at amortized cost	₱118,982,250	₱–	₱102,970,973	₱18,297,531	₱121,268,504
Other assets					
Refundable rental deposits	14,681,850	–	–	10,522,138	10,522,138
Financial liabilities					
Deposit liabilities	4,022,652,780	–	–	3,666,265,450	3,666,265,450

Investment securities at amortized cost,

Inputs used in estimating fair values of financial instruments carried at cost and categorized under Level 2 include risk-free rates and applicable risk premium ranging from 5.18% to 7.00% in 2024 and from 5.75% to 7.00% in 2023 and under Level 3 ranging from 5.62% and 5.90% in 2024 and 2023, respectively.

Non-current portion of refundable deposits

Fair values of non-current portion of refundable deposit were estimated using the discounted cash flow methodology, using the Bank's current incremental borrowing rates for similar borrowings, ranging from 3.84% to 7.12% and from 3.72% to 7.19% in 2024 and 2023, respectively.

Non-current portion of deposit liabilities

Fair values of noncurrent deposit liabilities are estimated using the discounted cash flow methodology, using risk-free rates and applicable premium, ranging from 5.61% to 6.18% and from 5.87% to 5.94% in 2024 and 2023, respectively, with maturities consistent with those remaining for the liability being valued, if any.

There were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements in 2024 and 2023.

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 has instituted the Risk Management Committee (RMC), composed of Independent director as chairman and majority of the members are independent directors, which is responsible for the comprehensive development of financial risk strategies, principles, frameworks, policies and limits purposely to eliminate or at least reduce the risk the Bank faces in banking activities and thus optimize returns on the capital or equity.

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 RMC 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 RMC regularly reports to the BOD the results of reviews of actual implementation of risk management policies. Internal Audit (IA) undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee (AC).

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 geographical and industry concentrations, and by monitoring exposures in relation to such limits.

Management of credit risk

The Bank faces potential credit risks every time it extends funds to borrowers, commits funds to counterparties or invests funds to issuers (e.g., investment securities issued by either sovereign or corporate entities).

The Bank manages credit risks by instilling credit discipline both among the staff and the borrowers. Close-monitoring and assessment of account throughout the borrowing period is being done. Moreover, on-time and quality service delivery increase motivation of the borrowers to fulfill their financial obligation. Instilling good credit discipline and commitment are always considered through regular orientation and training. Consequently, their savings balances are pledged and serve as guarantee to their loans, which increase their borrowing capacity. Each business unit has a designated Unit Manager, who reports on all credit-related matters to Area Manager and Regional Director. Each business unit is responsible for the quality and performance of its credit portfolio and monitoring and controlling risks associated with it. Regular audits of business units and credit processes are undertaken by IA. In addition, Executive Committee and Management Committee

members of the Bank regularly conduct monitoring based on their respective target per month. This strategy further ensures that business unit's implementation is within the credit policy and regulation of the Bank. Regular capacity building program through provisions of banking-related trainings such as but not limited to credit risk management, managing business, and delinquency management are regularly run. Availability of operations manual as reference, assist personnel in handling daily transaction. 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.

All past due accounts are reported on daily, weekly and monthly bases. Consistent monitoring for this group of accounts is established by competent and diligent staff to maximize recovery. Writing off bad accounts are approved by the BOD and reported to the BSP in compliance with the rules and regulations for banks.

The RMC closely monitors the over-all credit operations. Identified existing and potential risks are acted upon appropriately and are reported during monthly meetings of the BOD.

Maximum exposure to credit risk

An analysis of the maximum exposure to credit risk after taking into account any collateral held or other credit enhancements is shown below as at December 31, 2024 and 2023:

2024				
	Maximum Exposure	Fair Value of Collateral	Financial Effect of Collateral	Net Exposure
Loans and receivables				
Microfinance loans	₱4,462,658,469	₱1,057,402,515	₱1,036,199,240	₱3,426,459,229
Other loans	1,005,714,002	251,766,815	242,855,733	762,858,269
2023				
	Maximum Exposure	Fair Value of Collateral	Financial Effect of Collateral	Net Exposure
Loans and receivables				
Microfinance loans	₱4,232,139,501	₱957,095,473	₱941,042,751	₱3,291,096,750
Other loans	781,237,996	185,459,545	179,826,906	601,411,090

As at December 31, 2024 and 2023, the Bank does not hold any collateral or other credit enhancements to cover the credit risks associated with its due from BSP and other banks, other receivables and other financial assets. Hence, the carrying values of those financial assets best represent the maximum exposure to credit risk.

Credit enhancement for receivables from customers pertains to deposit hold-out from pledge savings equivalent to 15.00% of the original amount of the loan to the member as at December 31, 2024 and 2023.

The Bank has no financial instruments with rights of set-off in accordance to PAS 32, *Financial Instruments: Presentation*, as at December 31, 2024 and 2023. There are also no financial instruments that are subject to an enforceable master netting arrangements or similar agreements which require disclosure in the financial statements in accordance with amendments to PFRS 7, *Financial Instruments: Disclosures*.

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

2024					
	Loans and Receivables	Due from BSP and Other Banks	Investment Securities at Amortized Cost	Other Assets*	Total
Wholesale and retail trade, repair of motor vehicles and motorcycles; and personal and household goods	₱2,743,412,236	₱–	₱–	₱11,571,237	₱2,754,983,473
Agriculture, forestry and fishing	1,047,318,065	–	–	–	1,047,318,065
Financial institutions	14,438,187	923,525,951	–	3,758,790	941,722,928
Government	5,895,178	518,029,183	259,654,201	–	783,578,562
Administrative and support service activities	315,434,810	–	–	–	315,434,810
Arts, entertainment and recreation	277,635,036	–	–	–	277,635,036
Real estate activities	198,556,092	–	–	519,868	199,075,960
Human health and social work activities	184,870,104	–	–	–	184,870,104
Manufacturing	164,631,496	–	–	–	164,631,496
Accommodation and food service activities	159,827,646	–	–	–	159,827,646
Construction	141,705,347	–	–	–	141,705,347
Education	79,995,593	–	–	–	79,995,593
Other community, social and personal service activities	69,522,057	–	–	–	69,522,057
Transportation and storage	37,082,462	–	–	–	37,082,462
Professional, scientific and technical activity	17,674,166	–	–	–	17,674,166
Information and communication	15,209,601	–	–	1,000,000	16,209,601
Electricity, gas and water supply	10,921,950	–	–	–	10,921,950
Water supply, sewerage, waste management, and remediation activities	5,929,151	–	–	–	5,929,151
Mining and quarrying	388,740	–	–	–	388,740
Total	5,490,447,917	1,441,555,134	259,654,201	16,849,895	7,208,507,147
Less: Allowance for credit losses	184,884,101	–	–	–	184,884,101
Total	₱5,305,563,816	₱1,441,555,134	₱259,654,201	₱16,849,895	₱7,023,623,046

*Pertains to refundable rental deposit

2023					
	Loans and Receivables	Due from BSP and Other Banks	Investment Securities at Amortized Cost	Other Assets*	Total
Wholesale and retail trade, repair of motor vehicles and motorcycles; and personal and household goods	₱2,586,356,732	₱–	₱–	₱10,647,776	₱2,597,004,508
Agriculture, forestry and fishing	925,647,080	–	–	–	925,647,080
Government	1,368,998	504,841,885	118,982,250	–	625,193,133
Financial institutions	10,670,056	1,011,104,536	–	3,385,008	1,025,159,600
Administrative and support service activities	328,134,333	–	–	–	328,134,333
Real estate activities	199,577,371	–	–	649,066	200,226,437
Manufacturing	172,833,023	–	–	–	172,833,023
Construction	130,347,718	–	–	–	130,347,718
Accommodation and food service activities	149,885,615	–	–	–	149,885,615
Human health and social work activities	142,823,033	–	–	–	142,823,033
Arts, entertainment and recreation	162,379,045	–	–	–	162,379,045
Other community, social and personal service activities	59,074,304	–	–	–	59,074,304
Education	71,141,868	–	–	–	71,141,868
Transportation and storage	36,728,360	–	–	–	36,728,360
Information and communication	15,814,351	–	–	–	15,814,351
Professional, scientific and technical activity	18,469,668	–	–	–	18,469,668
Electricity, gas and water supply	9,987,596	–	–	–	9,987,596
Water supply, sewerage, waste management, and remediation activities	5,639,499	–	–	–	5,639,499
Mining and quarrying	460,873	–	–	–	460,873
Total	5,027,339,523	1,515,946,421	118,982,250	14,681,850	6,676,950,044
Less :Allowance for credit losses	171,747,125	–	–	–	171,747,125
Total	₱4,855,592,398	₱1,515,946,421	₱118,982,250	₱14,681,850	₱6,505,202,929

*Pertains to refundable rental deposits

Credit quality per class of financial assets

The financial assets are 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 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.

Business Loans and Salary Loans

Those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2

Other loans

Business Loans and Salary Loans

Those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered 31 up to 90 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

Other Loans

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

Business Loans and Salary Loans

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

The tables below show the credit quality per class of financial assets (gross of allowance for credit and impairment losses) as at December 31, 2024 and 2023:

	2024			
	Stage 1	Stage 2	Stage 3	Total
Due from BSP	₱10,906,377	₱-	₱-	₱10,906,377
Due from other banks	1,430,648,757	-	-	1,430,648,757
Loans receivable:				
Microfinance loans	4,270,930,032	-	97,315,948	4,368,245,980
Other loans	972,582,284	4,539,916	10,037,325	987,159,525
Other receivables:				
Accrued interest receivable	123,824,863	-	-	123,824,863
Accounts receivable	10,600,549	490,395	126,605	11,217,549
Investment securities at amortized cost	259,654,201	-	-	259,654,201
Other assets:				
Refundable rental deposits	15,849,895	-	-	15,849,895
	₱7,094,996,958	₱5,030,311	₱107,479,878	₱7,207,507,147

	2023			
	Stage 1	Stage 2	Stage 3	Total
Due from BSP	₱27,824,391	₱-	₱-	₱27,824,391
Due from other banks	1,488,122,030	-	-	1,488,122,030
Loans receivable:				
Microfinance loans	4,007,956,273	-	108,262,307	4,116,218,580
Other loans	751,232,239	3,179,320	7,826,792	762,238,351
Other receivables:				
Accrued interest receivable	141,975,303	-	-	141,975,303
Accounts receivable	6,907,289	-	-	6,907,289
Investment securities at amortized cost	118,982,250	-	-	118,982,250
Other assets:				
Refundable rental deposits	14,681,850	-	-	14,681,850
	₱6,557,681,625	₱3,179,320	₱116,089,099	₱6,676,950,044

As at December 31, 2024 and 2023, the Bank's microfinance loans 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. No loans were restructured as at December 31, 2024 and 2023.

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 are therefore not subject to any interest rate risk.

Interest rate risk

The Bank has floating or variable interest rates from held-to-maturity investments, however, management assessed that the Bank's exposure to changes in interest rate risk is immaterial.

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.

The Bank's Asset-Liability Committee is responsible for 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 pledge savings.

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.

The Bank 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 tables below summarize the maturity profile of the financial instruments of the Bank based on contractual undiscounted cash flows:

	2024						Total
	On demand	Due within 1 month	1 to 3 months	3 to 12 months	Beyond 1 year		
Financial Assets							
Cash and other cash items	P29,819,478	P-	P-	P-	P-		P29,819,478
Due from BSP	10,906,377	-	-	-	-		10,906,377
Due from other banks*	451,328,891	832,464,187	154,232,692	-	-		1,438,025,770
Loans and receivable*	75,592,801	101,711,173	811,024,836	5,329,092,204	8,464,331		6,325,885,345
Financial asset at amortized cost*	37,589	73,675,192	206,960,837	4,053,751	101,199,705		385,927,074
Other assets	9,727,619	396,505	210,000	1,791,157	5,939,742		18,065,023
Total Financial Assets	577,412,755	1,008,247,057	1,172,428,365	5,334,937,112	115,603,778		8,208,629,067
<i>(Forward)</i>							
Financial Liabilities							
Deposit liabilities*	P1,677,528,646	P139,180,771	P350,370,698	P2,457,799,862	P137,535,247		P4,762,415,224
Bills payable*	-	85,568,333	25,120,833	-	-		110,689,166
Other liabilities:							
Lease liabilities	-	5,959,291	11,622,712	45,460,728	99,005,219		162,047,950
Accounts payable	11,954,479	7,665,980	-	-	-		19,620,459
Dividends payable	366,853	-	-	-	-		366,853
Accrued other expenses	36,000	-	-	-	-		36,000
Total Financial Liabilities	1,695,845,269	244,037,796	420,952,259	2,548,145,379	146,194,949		5,055,175,652
Net	(P1,118,432,514)	P764,209,261	P751,476,106	P2,786,791,733	(P30,591,171)		P3,153,453,415

*Includes future interest

	2023						Total
	On demand	Due within 1 month	1 to 3 months	3 to 12 months	Beyond 1 year		
Financial Assets							
Cash and other cash items	P38,018,429	P-	P-	P-	P-		P38,018,429
Due from BSP	27,824,391	-	-	-	-		27,824,391
Due from other banks*	231,699,810	962,369,481	302,730,257	-	-		1,496,799,548
Loans and receivable*	82,813,798	125,597,168	812,205,810	4,712,028,866	12,131,421		5,744,777,063
Financial asset at amortized cost*	-	42,405,691	741,110	7,642,520	90,932,139		141,721,460
Other assets	9,177,339	315,500	365,250	2,057,972	3,618,417		15,534,478
Total Financial Assets	389,533,767	1,130,687,840	1,116,042,427	4,721,729,358	106,681,977		7,464,675,369
Financial Liabilities							
Deposit liabilities*	1,468,224,328	149,907,711	315,398,635	753,655,939	1,668,078,065		4,355,264,678
Bills Payable*	-	-	257,353,125	253,532,813	-		510,885,938
Other liabilities:							
Lease liabilities	-	4,774,460	9,220,448	34,577,359	65,601,699		114,173,966
Accounts payable	11,909,902	6,562,114	-	-	-		18,472,016
Accrued other expenses	366,060	-	-	-	-		366,060
Dividends payable	695,222	-	-	-	-		695,222
Total Financial Liabilities	1,481,195,512	161,244,285	581,972,208	1,041,766,111	1,733,679,764		4,999,857,880
Net	(P1,091,661,745)	P969,443,555	P534,070,219	P3,679,963,248	(P1,626,997,787)		P2,464,817,489

*Includes future interest

6. Due from BSP and Other Banks

The 'Due from BSP' account represents the balance of non-interest-bearing peso deposit account with the BSP which the Bank maintains primarily to meet reserve requirements (Note 10) and to serve as a clearing account for interbank claims.

Due from other banks represent funds deposited with domestic banks which are used by the Bank as part of its working funds. These deposits earn interest at annual rates ranging from 0.05% to 6.00% and from 0.05% to 6.35% in 2024 and 2023, respectively. Interest earned on due from other banks amounted to P80.32 million and P80.14 million in 2024 and 2023, respectively.

7. Loans and Receivables and Investment Securities at Amortized Cost

Loans and Receivables

This account consists of:

	2024	2023
Loans and receivables		
Microfinance loans	P4,368,245,980	P4,116,218,580
Other loans	987,159,525	762,238,351
	5,355,405,505	4,878,456,931
Accrued interest receivable	123,824,863	141,975,303
Accounts receivable (Note 19)	11,217,549	6,907,289
	5,490,447,917	5,027,339,523
Less: Allowance for credit losses	184,884,101	171,747,125
	P5,305,563,816	P4,855,592,398

Microfinance and other loans carry annual effective interest rates ranging from 8.17% to 66.23% and from 0.47% to 88.98% in 2024 and 2023, respectively. Interest earned on loans and receivables amounted to P2.60 billion and P2.24 billion in 2024 and 2023, respectively.

The movements in the allowance for credit losses follow:

	2024	2023
Balance at beginning of year	P171,747,125	P349,471,450
Provision for credit losses	93,377,842	61,078,786
Write-offs	(80,240,866)	(238,803,111)
Balance at end of year	P184,884,101	P171,747,125

The tables below illustrate the movements of the allowance for impairment and credit losses during the year 2024 and 2023 (effect of movements in ECL due to transfers between stages are shown in the total column):

	2024			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loss allowance at January 1, 2024	P114,414,112	P906,936	P56,426,077	P171,747,125
Movements with P&L Impact				
Transfer from Stage 1 to Stage 2	(1,265,379)	1,265,379	-	-
Transfer from Stage 1 to Stage 3	(40,048,909)	-	40,048,909	-
Transfer from Stage 2 to Stage 3	-	(1,185,677)	1,185,677	-
Transfer from Stage 3 to Stage 1	116	-	(116)	-
New financial assets originated or purchased	166,633,756	-	-	166,633,756

(Forward)

	2024			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Changes in PDs/LGDs/EADs	₱10,885,134	₱800,897	₱76,023,381	₱87,709,412
Financial assets derecognized during the period	(112,752,565)	(522,156)	(47,690,605)	(160,965,326)
Total net P&L charge during the period	23,452,153	358,443	69,567,246	93,377,842
Other movements without P&L impact				
Write-offs and other movements	–	–	(80,240,866)	(80,240,866)
Total movements without P&L impact	–	–	(80,240,866)	(80,240,866)
Loss allowance at December 31, 2024	₱137,866,265	₱1,265,379	₱45,752,457	₱184,884,101

	2023			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loss allowance at January 1, 2023	₱50,495,235	₱236,989	₱298,739,226	₱349,471,450
Movements with P&L impact				
Transfer from Stage 1 to Stage 2	(906,867)	906,867	–	–
Transfer from Stage 1 to Stage 3	(45,269,700)	–	45,269,700	–
Transfer from Stage 2 to Stage 3	–	(65,995)	65,995	–
New financial assets originated or purchased	140,071,339	–	–	140,071,339
Changes in PDs/LGDs/EADs	(3,962,067)	(105,553)	(11,473,244)	(15,540,864)
Financial assets derecognized during the period	(26,013,828)	(65,372)	(37,372,489)	(63,451,689)
Total net P&L charge during the period	63,918,877	669,947	(3,510,038)	61,078,786
Other movements without P&L impact				
Write-offs and other movements	–	–	(238,803,111)	(238,803,111)
Total movements without P&L impact	–	–	(238,803,111)	(238,803,111)
Loss allowance at December 31, 2023	₱114,414,112	₱906,936	₱56,426,077	₱171,747,125

The movements in gross carrying amount of receivables from customers between stages follow:

	2024			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Microfinance loans				
Gross carrying amount as at January 1, 2024	₱4,123,877,194	₱–	₱108,262,307	₱4,232,139,501
Transfer from Stage 1 to Stage 3	(84,803,022)	–	84,803,022	–
Transfer from Stage 3 to Stage 1	6,712	–	(6,712)	–
New financial assets originated or purchased	4,423,670,350	–	–	4,423,670,350
Collection of principal and accrued interest	(21,159,493)	–	(4,294,857)	(25,454,350)
Financial assets derecognized during the period	(4,076,249,220)	–	(18,096,327)	(4,094,345,547)
Write-offs and other movements	–	–	(73,351,486)	(73,351,486)
	4,365,342,521	–	97,310,687	4,462,658,468
Other loans				
Gross carrying amount as at January 1, 2024	770,231,884	3,179,320	7,826,792	781,237,996
Transfer from Stage 1 to Stage 2	(4,539,916)	4,539,916	–	–
Transfer from Stage 1 to Stage 3	(8,567,079)	–	8,567,079	–
Transfer from Stage 2 to Stage 3	–	(1,958,197)	1,958,197	–
New financial assets originated or purchased	996,054,535	–	–	996,054,535
Collection of principal and accrued interest	(5,366,215)	(190,947)	(214,002)	(5,771,164)
Financial assets derecognized during the period	(756,676,449)	(1,030,176)	(1,618,992)	(759,325,617)
Write-offs and other movements	–	–	(6,481,748)	(6,481,748)
	991,136,760	4,539,916	10,037,326	1,005,714,002
Gross carrying amount as at December 31, 2024	₱5,356,479,281	₱4,539,916	₱107,353,273	₱5,468,372,470

	2023			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Microfinance loans				
Gross carrying amount as at January 1, 2023	₱3,724,163,419	₱–	₱277,361,074	₱4,001,524,493
Transfer from Stage 1 to Stage 3	(87,681,133)	–	87,681,133	–
New financial assets originated or purchased	4,176,803,262	–	–	4,176,803,262
Collection of principal and accrued interest	(3,638,888,280)	–	(15,820,775)	(3,654,709,055)
Financial assets derecognized during the period	(50,520,074)	–	(18,789,832)	(69,309,906)
Write-offs and other movements	–	–	(222,169,293)	(222,169,293)
	4,123,877,194	–	108,262,307	4,232,139,501
Other loans				
Gross carrying amount as at January 1, 2023	604,033,223	1,043,004	22,253,629	627,329,856
Transfer from Stage 1 to Stage 2	(3,179,131)	3,179,131	–	–
Transfer from Stage 1 to Stage 3	(7,464,215)	–	7,464,215	–
Transfer from Stage 2 to Stage 3	–	(183,015)	183,015	–
New financial assets originated or purchased	768,795,522	–	–	768,795,522
Collection of principal and accrued interest	(590,237,086)	(506,646)	(2,953,627)	(593,697,359)
Financial assets derecognized during the period	(1,716,429)	(353,154)	(2,486,622)	(4,556,205)
Write-offs and other movements	–	–	(16,633,818)	(16,633,818)
	770,231,884	3,179,320	7,826,792	781,237,996
Gross carrying amount as at December 31, 2023	₱4,894,109,078	₱3,179,320	₱116,089,099	₱5,013,377,497

While the Bank recognizes through the statements of income the movements in the expected credit losses computed using the ECL models, the Bank also complies with BSP's regulatory requirement to appropriate a portion of its surplus at an amount necessary to bring to at least 1% the allowance for credit losses on loans.

Generally, NPLs refer to loans whose principal and/or interest are unpaid after due date or after they have become past due in accordance with existing BSP rules and regulations. This shall apply to loans receivable in lump sum and loans receivable 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/PAAR accounts shall be considered as NPL. Loans are classified as nonperforming in accordance with BSP regulations, or when, in the opinion of management, collection of interest is doubtful. Loans are not reclassified as performing until interest and principal payments are brought to current or the loans are restructured in accordance with existing BSP regulations, and future payments appear assured.

The following table shows the secured and unsecured portions of receivable from customers as at December 31, 2024 and 2023 (at gross amount):

	2024	2023
Secured portion		
Deposit hold-out	₱1,309,169,330	₱1,142,555,018
Unsecured portion	4,046,236,175	3,735,901,913
	₱5,355,405,505	₱4,878,456,931

Collateral of loans includes deposit hold-out at 15.00% of loan disbursed (Note 10).

Investment Securities at Amortized Cost

As at December 31, 2024 and 2023, investment securities at amortized cost consist of the following:

	2024	2023
Government debt securities	₱60,000,000	₱60,000,000
Treasury bills	174,378,796	41,303,885
Agrarian Reform 10-year bonds	25,275,405	17,678,365
	₱259,654,201	₱118,982,250

Agrarian Reform bonds pertain to long-term certificates issued by the National Government and earn annual interest rates from 5.23% to 5.97% and from 4.20% to 6.00% in 2024 and 2023, respectively.

Treasury bills pertain to short-term investments with maturity from 76 days to 336 days that earn annual interest rate from 5.18% to 6.00% and 6.04% per annum in 2024 and 2023, respectively.

The government debt securities are quoted debt securities that earn nominal and effective interest rates ranging from 5.75% to 7.00% in 2024 and 2023. The investment will mature between three (3) years and five (5) years from the statement of financial position date.

Interest income on investment securities at amortized cost amounted to ₱14.98 million and ₱5.96 million in 2024 and 2023, respectively.

8. Property and Equipment

The composition of and movements in this account follow:

2024									
	Land	Building	Furniture, Fixtures and Equipment	Information Technology Equipment	Transportation Equipment	Leasehold Improvements	Construction in Progress	Right-of-Use Asset	Total
Cost									
Balance at beginning of year	₱20,030,959	₱31,761,722	₱115,540,905	₱43,405,878	₱9,522,752	₱141,233,014	₱2,248,392	₱215,766,431	₱579,510,053
Additions	–	1,485,862	5,918,510	2,238,027	5,342,579	182,000	14,037,394	102,962,339	132,166,711
Reclassification	–	2,807,678	43,000	(43,000)	–	–	(2,807,678)	–	–
Disposals	–	–	(77,599)	(293,593)	–	–	–	(61,312,666)	(61,683,858)
Balance at end of year	20,030,959	36,055,262	121,424,816	45,307,312	14,865,331	141,415,014	13,478,108	257,416,104	649,992,906
Accumulated Depreciation									
Balance at beginning of year	–	25,750,011	90,905,834	27,501,859	4,103,644	107,512,842	–	111,714,415	367,488,605
Depreciation	–	2,658,331	10,587,601	6,049,145	2,289,736	13,545,711	–	62,467,056	97,597,580
Reclassification	–	–	8,361	(8,361)	–	–	–	–	–
Disposals	–	–	(77,599)	(267,343)	–	–	–	(61,312,666)	(61,657,608)
Balance at end of year	–	28,408,342	101,424,197	33,275,300	6,393,380	121,058,553	–	112,868,805	403,428,577
Net Book Value	₱20,030,959	₱7,646,920	₱20,000,619	₱12,032,012	₱8,471,951	₱20,356,461	₱13,478,108	₱144,547,299	₱246,564,329
2023									
	Land	Building	Furniture, Fixtures and Equipment	Information Technology Equipment	Transportation Equipment	Leasehold Improvements	Construction in Progress	Right-of-Use Asset	Total
Cost									
Balance at beginning of year	₱20,030,959	₱31,761,722	₱110,187,811	₱35,799,021	₱5,304,319	₱131,479,337	₱7,154,489	₱244,590,073	₱586,307,731
Additions	–	–	5,353,094	7,606,857	4,218,433	2,599,188	2,248,392	31,009,955	53,035,919
Reclassification	–	–	–	–	–	7,154,489	(7,154,489)	–	–
Disposals	–	–	–	–	–	–	–	(59,833,597)	(59,833,597)
Balance at end of year	20,030,959	31,761,722	115,540,905	43,405,878	9,522,752	141,233,014	2,248,392	215,766,431	579,510,053
Accumulated Depreciation									
Balance at beginning of year	–	22,843,136	78,635,220	22,354,560	2,656,288	89,145,997	–	110,856,746	326,491,947
Depreciation	–	2,906,875	12,270,614	5,147,299	1,447,356	18,366,845	–	59,222,842	99,361,831
Disposals	–	–	–	–	–	–	–	(58,365,173)	(58,365,173)
Balance at end of year	–	25,750,011	90,905,834	27,501,859	4,103,644	107,512,842	–	111,714,415	367,488,605
Net Book Value	₱20,030,959	₱6,011,711	₱24,635,071	₱15,904,019	₱5,419,107	₱33,720,172	₱2,248,392	₱104,052,017	₱212,021,448

The composition of depreciation and amortization as presented in the statements of income are as follows:

	2024	2023
Property and equipment	₱97,597,580	₱99,361,831
Intangible assets (Note 9)	498,962	2,566,672
	₱98,096,542	₱101,928,503

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 at December 31, 2024, the construction in progress pertains to the construction of bank premises in Sindangan branch and building renovation for Ormoc and San Fernando branches. The construction and renovation are expected to be completed in the second quarter of 2025. As at December 31, 2023, the leasehold improvements under construction pertain to the renovation of bank premises of Head Office and of Taguig branch.

As of December 31, 2024 and 2023, the cost of fully depreciated property and equipment that are still in use amounted to ₱194.33 million and ₱148.35 million, respectively.

9. Other Assets

This account consists of:

	2024	2023
Financial assets		
Refundable rental deposits	₱15,849,895	₱14,681,850
Investment in equity securities	1,000,000	—
	16,849,895	14,681,850
Non-financial assets		
Prepaid expenses	58,384,873	36,281,818
Stationery and supplies on hand	30,468,678	32,267,459
Prepaid rent	4,684,520	5,362,482
Bills deposit	3,132,536	2,357,006
Artwork	183,340	183,340
Intangible assets	—	498,962
	96,853,947	76,951,067
	₱113,703,842	₱91,632,917

Prepaid expenses include advance payments for IT-related services, insurance premiums and downpayments for fixed asset acquisition. Prepaid rent pertains to advances paid on lease of offices and advance lease payment of office and IT equipment. Bills deposit pertains to the amount required as a guarantee for payment of electric bills.

Investment in equity securities pertains to investment in non-allied undertakings, pending approval from the BSP. Until the approval is received, the investment is classified as other asset.

No impairment loss was recognized on other assets in 2024 and 2023.

Intangible assets

Intangible assets include software costs under development and purchased licenses.

The movements of intangible assets follow:

	2024	2023
Cost		
Balance at beginning of year	₱8,142,078	₱8,142,078
Balance at end of year	8,142,078	8,142,078
Accumulated amortization		
Balance at beginning of year	7,643,116	5,076,444
Amortization (Note 8)	498,962	2,566,672
Balance at end of year	8,142,078	7,643,116
Net Book Value	₱—	₱498,962

10. Deposit Liabilities

The Bank's deposit liabilities include regular savings amounting to ₱4.30 billion and ₱3.92 billion as at December 31, 2024 and 2023, respectively. These mostly comprise of the ₱50.00 per week aggregate compulsory savings collected from each member/nonmember/borrower plus any voluntary deposit. Under an assignment agreement, the "pledge" savings balances serve as security for loans granted by the Bank to its members. The "pledge" savings earn annual interest of 2.50% in 2024 and 2023. In 2024 and 2023, a member/borrower is required to maintain a pledge savings balance equivalent to 15.00% of the original loan amount (Note 7).

Other regular savings accounts are "Kusang-ipon", "Tagumpay", "Agap-ipon", "Katuparan", "Matatag", "Gabay-ipon", and "Kalingang-ipon" savings deposit accounts which cater to non-members and Bank employees and carry interest rates from 0.50% and 5.00% in 2024 and 2023.

Special savings deposits have interest rates ranging from 3.60% to 4.00% and from 1.00% to 4.00% in 2024 and 2023, respectively.

Interest expense on deposit liabilities are as follows:

	2024	2023
Regular savings deposits	₱127,139,681	₱114,332,125
Special savings deposit	3,943,687	2,571,392
	₱131,083,368	₱116,903,517

On June 23, 2023, the BSP issued Circular No. 1175 which prescribes the 1.00% reserve requirements on demand and savings deposits. On September 30, 2024, the BSP issued Circular No. 1201 which prescribes the 0.00% reserve requirements on demand and savings deposits for rural banks. As of December 31, 2024 and 2023, available reserves pertain to Due from BSP of ₱10.91 million and ₱27.82 million, respectively (Note 6). The Bank is compliant with the applicable reserve requirements on demand and savings deposits.

11. Bills Payable and Other Liabilities

Bills Payable

Bills payable represent borrowings from financing institutions which are subject to certain terms and conditions and bears annual nominal interest rates of 6.00% and from 5.75% to 6.50% in 2024 and 2023, respectively. The maturity period for the outstanding bills payable is six (6) months in the year 2024 and 2023.

Interest expense recognized in the statements of income amounted to ₱8.92 million and ₱1.77 million in 2024 and 2023, respectively.

The composition of and movements in this account follow:

	2024	2023
Face value		
Balance at beginning of year	₱500,000,000	₱–
Availments	110,000,000	500,000,000
Principal payments	(500,000,000)	–
Balance at end of year	110,000,000	500,000,000
Unamortized transaction cost		
Balance at beginning of year	1,575,764	–
Availments	239,472	1,830,822
Amortization	(1,690,993)	(255,058)
Balance at end of year	124,243	1,575,764
Carrying value	₱109,875,757	₱498,424,236

Other Liabilities

This account consists of the following:

	2024	2023
Financial liabilities:		
Accrued interest payable	₱286,444,062	₱219,510,941
Lease liabilities (Note 16)	145,013,702	105,475,440
Accounts payable	19,620,459	18,472,016
Dividends payable	366,853	695,222
Accrued other expenses	36,000	366,060
	451,481,076	344,519,679
Non-financial liabilities:		
Gross receipt taxes payable	35,267,925	31,337,146
Accumulated leave credits	12,443,765	11,565,607
Withholding taxes payable	5,352,678	4,854,648
Documentary stamp taxes payable	4,344,732	3,718,685
	57,409,100	51,476,086
	₱508,890,176	₱395,995,765

Accounts payable include due to suppliers and contractors, regulatory bodies, employees and related parties.

Accrued other expenses include operating expenses.

12. Maturity Analysis of Assets and Liabilities

The following table shows an analysis of assets and liabilities analyzed according to whether they are expected to be recovered or settled within one year and beyond one year from statement of financial position dates:

	2024			2023		
	Within One Year	Beyond One Year	Total	Within One Year	Beyond One Year	Total
Financial Assets						
Cash and other cash items	₱29,819,478	₱–	₱29,819,478	₱38,018,429	₱–	₱38,018,429
Due from BSP	10,906,377	–	10,906,377	27,824,391	–	27,824,391
Due from other banks	1,430,648,757	–	1,430,648,757	1,488,122,030	–	1,488,122,030
Loans and receivables	5,483,511,633	6,936,284	5,490,447,917	5,017,396,413	9,943,110	5,027,339,523
Investment securities at amortized cost	175,670,903	83,983,298	259,654,201	45,832,309	73,149,941	118,982,250
Other assets (Note 9)	12,026,198	4,823,697	16,849,895	11,839,412	2,842,438	14,681,850
Nonfinancial Assets						
Property and equipment	–	649,992,906	649,992,906	–	579,510,053	579,510,053
Retirement asset	–	–	–	–	23,459,733	23,459,733
Deferred tax assets	–	53,602,209	53,602,209	–	44,821,551	44,821,551
Other assets (Note 9)	90,061,356	6,792,591	96,853,947	74,439,353	2,511,714	76,951,067
	₱7,232,644,702	₱806,130,985	8,038,775,687	₱6,703,472,337	₱736,238,540	7,439,710,877
Allowance for credit and impairment losses (Note 7)		(184,884,101)				(171,747,125)
Accumulated depreciation and amortization (Note 8)		(403,428,577)				(367,488,605)
		₱7,450,463,009				₱6,900,475,147
Financial Liabilities						
Deposit liabilities	₱4,307,594,624	₱119,676,385	₱4,427,271,009	₱2,675,117,492	₱1,347,535,288	₱4,022,652,780
Bills payable	109,875,757	–	109,875,757	498,424,236	–	498,424,236
Other liabilities (Note 11)	350,838,269	100,642,807	451,481,076	271,691,133	72,828,546	344,519,679
Nonfinancial Liabilities						
Income tax payable	82,408,906	–	82,408,906	64,295,280	–	64,295,280
Retirement liability	–	534,478	534,478	–	–	–
Other liabilities (Note 11)	44,965,335	12,443,765	57,409,100	51,476,086	–	51,476,086
	₱4,895,682,891	₱233,297,435	₱5,128,980,326	₱3,561,004,227	₱1,420,363,834	₱4,981,368,061

13. Equity

Capital Stock

The Bank's authorized capital stock amounted to ₱2.00 billion, consisting of 18,000,000 shares of common stock with par value of ₱100 per share and 1,000,000 private preferred shares with par value of ₱200 per share.

As at December 31, 2024 and 2023, the Bank's capital stock consists of:

	2024		2023	
	Shares	Amount	Shares	Amount
Common stock - ₱100 par value, 18,000,000 authorized shares				
Common stock at the beginning of the year	10,500,000	₱1,050,000,000	9,892,870	₱989,287,000
Issuance of shares through stock dividends	3,150,000	315,000,000	–	–
Issuance of shares	–	–	607,130	60,713,000
Common stock at the end of the year	13,650,000	₱1,365,000,000	10,500,000	₱1,050,000,000

	2024		2023	
	Shares	Amount	Shares	Amount
Preferred stock - ₱200 par value, 1,000,000 authorized shares				
Preferred stock at the beginning of the year	1,000,000	₱200,000,000	1,000,000	₱200,000,000
Preferred stock at the end of the year	1,000,000	₱200,000,000	1,000,000	₱200,000,000

Preferred shares have the following features: (a) cumulative, (b) non-voting, and (c) non-redeemable. Preferred shareholders shall be entitled to a dividend rate of eight percent (8.00%) per annum or whatever is determined by the BOD. As of December 31, 2024 and 2023, cumulative dividends paid on preferred shares amounted to ₱20.00 million and ₱24.00 million, respectively.

Dividends

Cash dividends declared by the Bank in 2024 and 2023 are the following:

Date of declaration	Common shares		% of Par	Preferred shares		Record date
	Per share	Total amount		Total amount		
August 10, 2024	₱10.00	₱105.00 million	4%	₱8.00 million		December 31, 2023
April 13, 2024	₱10.00	₱105.00 million	6%	₱12.00 million		December 31, 2023
September 9, 2023	₱20.00	₱210.00 million	4%	₱8.00 million		August 31, 2023
April 13, 2023	₱12.00	₱126.00 million	8%	₱16.00 million		March 31, 2023

As approved by the Bank's BOD and stockholders in their joint special meeting on May 11, 2024, stock dividends amounting to ₱210.00 million or ₱20.00 per share were declared to stockholders on record as of December 31, 2023. As approved by the Bank's stockholders in their special stockholders meeting on October 12, 2024, stock dividends amounting to ₱105.00 million or ₱10.00 per share were declared to stockholders on record as of December 31, 2023.

Capital Management

The Bank's capital management aims to ensure that it complies with regulatory capital requirements and 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 on the capital management objectives, policies and processes from previous years.

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 net worth) reported to the BSP, determined on the basis of regulatory accounting policies, which differ from PFRSs in some aspects.

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, which is consistent with the BSP's goal of promoting the soundness and stability of individual banks and of the banking system as a whole.

Under current banking regulations, the combined capital accounts of each bank should not be less than an amount equal to ten percent (10.00%) of its risk assets. The qualifying capital of the Bank for purposes of determining the capital-to-risk assets ratio to total equity excludes:

- unbooked valuation reserves and other capital adjustments as may be required by the BSP;
- total outstanding unsecured credit accommodations to directors, officers, stakeholders and related interests (DOSRI);
- deferred tax asset or liability; and
- other regulatory deductions.

Risk assets consist of total assets after exclusion of cash on hand, due from BSP, loans covered by hold-out 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 risk-based capital adequacy ratio (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 states that rural banks with head offices in areas outside the National Capital Region and with up to ten branches are required to comply with the minimum capital requirement of ₱30.00 million. As at December 31, 2024 and 2023, the Bank is in compliance with the capitalization requirement.

Under BSP Circular No. 854, regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, surplus including current year profit less accrued dividends, net long positions in own shares and goodwill. 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	₱2,145.58	₱1,726.64
Tier 2 capital	266.66	247.59
Total qualifying capital	2,412.24	₱1,974.23
Risk-weighted assets	9,572.06	₱8,522.63
Tier 1 capital ratio	22.42%	20.26%
Tier 2 capital ratio	2.79%	2.91%
Total CAR	25.20%	23.16%

As of December 31, 2024 and 2023, the Bank's CAR is in compliance with the regulatory requirements.

Liquidity Coverage Ratio 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 (QB) is 90.00% beginning January 1, 2018 and 100% beginning January 1, 2019 onwards. Meanwhile, stand-alone TBs, RBs, CBs, and QBs will be subjected to a Minimum Liquidity Ratio (MLR) of 20.00% for 2024 and 2023.

The Bank's MLR as at December 31, 2024 and 2023, as reported to the BSP is shown in the table below (amounts in millions):

	2024	2023
Stock of liquid assets	₱1,470.17	₱1,554.81
Qualifying liabilities	3,588.22	3,226.59
MLR	40.97%	48.19%

As at December 31, 2024 and 2023, the Bank's MLR is in compliance with the regulatory requirement.

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.

The amount of surplus funds available for dividend declaration is determined also on the basis of regulatory net worth after considering certain adjustments.

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.

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 120.00% 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.

In addition to MERP, the Bank is also a participant to the CARD Group Employees' Retirement Plan referred to as "New Plan" which provides a retirement benefit equal to 100.00% of the member's employer accumulated value (the Bank's contributions of 8.00% plan salary to Fund A plus credited earnings) and 100.00% of the member's employee accumulated value (member's own contributions up to 10.00% of plan salary to Fund B plus credited earnings), if any, provided that in no case shall 100.00% of the employee accumulated value in Fund A be less than 100.00% of plan salary for every year of credited service.

The date of the latest actuarial valuation report is December 31, 2024.

14. Compensation and Benefits

This account consists of:

	2024	2023
Salaries and wages	₱337,399,464	₱290,269,683
Employee benefits	258,672,257	229,133,191
Retirement expense (Note 15)	10,460,096	8,108,644
Other short-term benefits	48,401,589	40,398,038
	₱654,933,406	₱567,909,556

Other short-term benefits pertain to the Bank's share in contribution to employee's SSS, and health benefit plans.

15. Retirement Plan

The Bank, CARD Bank, Inc., CARD MRI Development Institute, Inc., CARD Mutual Benefit Association, Inc., CARD SME Bank, Inc., CARD MRI Insurance Agency, Inc., CARD Business Development Service Foundation, Inc., CMIT, CARD Employees Multi-Purpose Cooperative, Responsible Investments for Solidarity and Empowerment Financing Co., BotiCARD Inc., CLFC, CARD, Inc., Mga Likha ni Inay Inc., CARD MRI Property Holdings Inc., CARD MRI Publishing House Inc., CARD MRI Hijos Tours Inc., CARD MRI Astro Laboratories Inc., and CARD Masikhay Consultancy Services Inc. maintain a funded and formal noncontributory defined benefit retirement plan - the CARD MRI Multi-Employer Retirement Plan (MERP) - covering all of their regular employees and CARD Group Employees' Retirement Plan (New Plan) applicable to employees hired on or after July 1, 2016. MERP and New Plan comply with the requirements of RA No. 7641, *Retirement Pay Law*.

Changes in net retirement asset in 2024 and 2023 are as follow:

2024												
Net benefit cost in statement of income						Remeasurements in other comprehensive income						
January 1	Current service cost	Net interest	Subtotal	Transfer to the Plan Net of Benefits Paid	Benefits paid from plan assets	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from changes in the effect of asset ceiling	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Subtotal	Contribution by employer	December 31
Fair value of plan assets	₱173,984,605	₱–	₱10,730,513	₱10,730,513	₱1,810,861	(₱12,967,396)	(₱2,878,717)	₱–	₱–	(₱2,878,717)	₱13,285,643	₱183,965,509
Present value of defined benefit obligation	(148,222,459)	(11,963,434)	(9,086,037)	(21,049,471)	(1,810,861)	12,967,396	(27,107,519)	–	1,524,059	(801,132)	–	(184,499,987)
Asset ceiling	(2,302,413)	–	(141,138)	(141,138)	–	–	–	2,443,551	–	2,443,551	–	–
Net defined benefit asset	₱23,459,733	(₱11,963,434)	₱1,503,338	(₱10,460,096)	₱–	₱–	(₱29,986,236)	₱2,443,551	₱1,524,059	(₱801,132)	₱13,285,643	(₱534,478)

2023												
Net benefit cost in statement of income						Remeasurements in other comprehensive income						
January 1	Current service cost	Net interest	Subtotal	Transfer to the Plan Net of Benefits Paid	Benefits paid from plan assets	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from changes in the effect of asset ceiling	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Subtotal	Contribution by employer	December 31
Fair value of plan assets	₱150,262,939	₱–	₱11,626,487	₱11,626,487	(₱2,747,828)	(₱4,664,821)	(₱5,912,843)	₱–	₱–	(₱5,912,843)	₱25,420,671	₱173,984,605
Present value of defined benefit obligation	(122,256,933)	(10,563,151)	(8,924,756)	(19,487,907)	2,747,828	4,664,821	2,092,448	–	201,633	(16,184,349)	–	(148,222,459)
Asset ceiling	(3,386,633)	–	(247,224)	(247,224)	–	–	–	1,331,444	–	1,331,444	–	(2,302,413)
Net defined benefit asset	₱24,619,373	(₱10,563,151)	₱2,454,507	(₱8,108,644)	₱–	₱–	(₱3,820,395)	₱1,331,444	₱201,633	(₱16,184,349)	₱25,420,671	₱23,459,733

In 2024 and 2023, net benefit cost is recognized under ‘Compensation and benefits’ in the statements of income.

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions. The fair value of plan assets by each class as at December 31, 2024 and 2023 follows:

	2024	2023
Cash and cash equivalents	₱22,002,275	₱20,460,590
Government securities	109,349,099	118,205,141
Loans and receivables	43,250,291	25,923,706
Other bond instruments	7,340,224	7,463,940
Other assets	2,023,620	1,931,228
Fair value of plan assets	₱183,965,509	₱173,984,605

All plan assets do not have quoted prices in an active market except for government bonds and mutual fund. Cash and cash equivalents are with reputable financial institutions and related parties and are deemed to be standard grade. Loans 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 risks 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 rate		
January 1	6.13%	7.30%
December 31	6.09%	6.13%
Future salary increases	5.00%	5.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	2024	2023		
	Increase (decrease) in basis points	Increase (decrease) in present value of obligation	Increase (decrease) in basis points	Increase (decrease) in present value of obligation
Discount rates	+100 (100)	(₱18,499,010) 21,932,863	+100 (100)	(₱14,022,087) 16,617,988
Future salary increases	+100 (100)	21,953,129 (18,840,319)	+100 (100)	16,640,188 (14,285,710)

The Bank plans to contribute ₱13.00 million to the defined benefit retirement plan in 2025. As at December 31, 2024, the average duration of defined benefit obligations is 11.0 years.

Shown below is the maturity analysis of the undiscounted benefit payments:

	2024	2023
Less than one year	₱14,660,523	₱19,540,854
More than one year to five years	63,299,011	50,123,799
More than five years to ten years	94,219,574	75,515,215
More than 10 years to 15 years	138,100,577	98,050,768
More than 15 years to 20 years	205,043,670	127,559,529
More than 20 years to 25 years	242,078,971	178,609,584
More than 25 years	341,442,262	268,121,513

16. Leases

The Bank has lease contracts for various items of office space for its branches and staff house, transportation, and IT equipment used in its operations. The lease contracts are for periods ranging from six months to 12 years and are renewable upon mutual agreement between the Bank and lessors. Various lease contracts include escalation clauses of 5.00%, starting on the year stated in the contract.

The Bank's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Bank is restricted from assigning and subleasing the leased assets and some contracts require the Bank to maintain certain financial ratios.

The carrying amounts of right-of-use assets recognized and the movements during the period are disclosed in Note 8.

The following are the amounts recognized in statements of income:

	2024	2023
Lease payments relating to short-term leases and leases with low value assets (included in 'Rent')	₱40,074,400	₱36,201,877
Depreciation expense of ROU assets included in property and equipment (Note 8)	62,467,056	59,222,842
Interest expense on lease liabilities	7,368,221	5,986,816
Total amount recognized in the statements of income	₱109,909,677	₱101,411,535

Rent expense in 2024 and 2023 pertains to expenses from short-term leases and leases of low-value assets. As of December 31, 2024 and 2023, the Bank has no contingent rent payable.

Set out below are the carrying amounts of lease liabilities (included under other liabilities) and the movements during the period:

	2024	2023
As at beginning of year	₱105,475,440	₱134,849,298
Additions	99,026,389	29,711,750
Accretion of interest	7,368,221	5,986,816
Payments	(66,856,348)	(63,661,381)
Lease modification	—	(1,411,043)
As at end of year	₱145,013,702	₱105,475,440

Shown below is the maturity analysis of the undiscounted lease payments:

	2024	2023
Within 1 year	₱63,042,731	₱48,572,267
More than 1 year to 5 years	90,345,517	64,080,570
More than 5 years	8,659,702	1,521,129

17. Miscellaneous Expenses

This account consists of:

	2024	2023
Payments to on-call security, drivers and messengerial	₱9,491,883	₱9,587,437
Repairs and maintenance	9,368,020	7,547,618
Donations and charitable contributions	8,000,000	5,393,000
Meals during meetings and trainings	6,716,213	6,369,361
Periodicals and magazines	3,672,339	1,547,088
Marketing, advertising and publicity	2,761,089	1,721,410
Vaccination	2,033,780	751,027
Review and advisory fee	1,638,671	1,532,160
Banking fee	1,544,982	1,498,085
Company events and celebrations	1,237,504	807,958
Data information sharing fee	829,022	806,586
Recruitment and training expenses	694,706	628,447
Calamity and burial assistance	638,917	453,427
Legal fees	534,609	637,768
Scholarship allowance	222,030	339,000
Hospitalization and other medical expense	200,197	525,349
Membership fees and dues	100,188	73,387
Processing fee of approved branches	64,564	90,773
Other expenses	2,435,821	669,605
	₱52,184,535	₱40,979,486

Donations and charitable contributions pertain to donation for scholarship program to educational institution.

Other expenses include various expenses such as replenishment of emergency fund, representation and entertainment expenses, awards to top performing branches and staffs, and other small value expenses that are non-recurring.

18. Income Taxes

Provision for (benefit from) income tax consists of:

	2024	2023
Current tax	₱201,899,620	₱115,645,687
Final tax	17,050,414	16,498,413
Deferred tax	(2,075,719)	45,318,871
	₱216,874,315	₱177,462,971

Under Philippine tax laws, the Bank is subject to percentage and other taxes presented as ‘Taxes and licenses’ in the statements of income as well as income taxes. Percentage and other taxes paid consist principally of gross receipts tax and documentary stamp taxes.

Income taxes include RCIT, as discussed below and final taxes paid at the rate of 20.00%, which is a final withholding tax on gross interest income from government securities and other deposit substitutes.

On March 26, 2021, 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 20.0%.
- The bill also provides that effective July 1, 2021 to June 30, 2023, the MCIT will be lowered from 2.0% to 1.0%, starting July 1, 2023 MCIT reverted to 2.0%.
- Interest expense allowed as a deduction against taxable income shall be reduced by 20.0% 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. EAR expenses are presented under ‘Miscellaneous expenses’ in the statements of income. The Bank incurred no EAR expenses in 2024 and 2023.

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.

As at December 31, 2024 and 2023, net deferred tax assets are as follows:

	2024	2023
Deferred tax assets		
Allowance for credit losses	₱46,221,025	₱42,936,781
Unamortized past service cost	4,136,623	4,858,301
Accumulated vacation leave	3,110,941	2,891,402
Retirement liability	133,620	—
	53,602,209	50,686,484
Deferred tax liability		
Retirement asset	—	5,864,933
	₱53,602,209	₱44,821,551

Deferred tax recognized in OCI amounted ₱6.70 million and ₱4.62 million for the years ended December 31, 2024 and 2023, respectively.

The reconciliation between the statutory income tax and effective income tax follow:

	2024	2023
Statutory income tax	₱217,341,183	₱177,514,742
Income tax effects of:		
Interest income subject to final tax	(6,774,643)	(5,027,267)
Nondeductible expenses	6,612,280	4,975,496
Movements of deferred taxes	(304,505)	—
Provision for income tax	₱216,874,315	₱177,462,971

19. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Entities are considered to be related if they are subjected under common control or significant influence. 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, and
- post-employment benefit plans for the benefit of the Bank's employees.

The Bank has several business relationships with related parties. Transactions with such parties are made in the ordinary course of business and on substantially same terms, including interest and collateral, as those prevailing at the time for comparable transactions with other parties. These transactions also did not involve more than the normal risk of collectability or present other unfavorable conditions.

Transactions with Retirement Plans

Under PFRS Accounting Standards, 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 accounts and government bonds (Note 15). As at 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, *Related Party Disclosures*.

The compensation of key management personnel included under 'Compensation and benefits' in the statement of income are as follows:

	2024	2023
Short-term employee benefits	₱13,046,183	₱14,505,752
Post-employment benefits	1,647,309	2,814,406
	₱14,693,492	₱17,320,158

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, also qualify as related party transactions.

Loans receivable

As of December 31, 2024 and 2023, the Bank has no outstanding loan that was granted to related parties.

Deposit liabilities, accounts receivable and accounts payable

Deposit liabilities, accounts receivable and accounts payable 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		₱3,289,052	Consists of regular savings deposit account with annual interest rate ranging from 0.50% to 5.00%, and special savings deposit account with annual interest rate ranging from 1.00% to 4.00%.
Deposits	10,991,381		
Withdrawals	9,043,321		
Interest expense/payable	13,268		
Shareholders			
Deposit liabilities		134,470,218	Consists of regular savings deposit account with annual interest rate ranging from 0.50% to 5.00% and special savings deposit account with annual interest rate ranging from 3.90% to 4.25%.
Deposits	1,212,217,527		
Withdrawals	1,188,371,186		
Interest expense/payable	2,855,587		
December 31, 2023			
Category	Amount/Volume	Outstanding Balance	Nature, Terms and Conditions
Key management personnel			
Deposit liabilities		₱14,354,396	Consists of regular savings deposit account with annual interest rate of 0.50% and 5.00%, and special savings deposit account with annual interest rate ranging from 1.00% to 4.25%.
Deposits	₱65,154,742		
Withdrawals	62,579,455		
Interest expense/payable	25,053		
Shareholders			
Deposit liabilities		94,505,835	Consists of regular savings deposit account with annual interest rate of 0.50% and special savings deposit account with annual interest rate ranging from 1.60% to 4.00%.
Deposits	1,235,676,686		
Withdrawals	1,295,881,617		
Interest expense/payable	1,207,255		

20. Supplementary Information for Cash Flow Analysis

Non-cash investing activities of the Bank consist of the following:

	2024	2023
Additions to property and equipment through lease contracts (Note 8)	₱102,962,339	₱31,009,955

The following table shows the reconciliation analysis of liabilities arising from financing activities for the years ended December 31, 2024 and 2023, respectively.

	December 31, 2024			
	Bills payable (Notes 11)	Dividends payable (Note 11)	Lease liabilities (Note 16)	Total
Balances as at January 1, 2024	₱498,424,236	₱695,222	₱105,475,440	₱604,594,898
Cash flows	(390,239,472)	(230,328,369)	(66,856,348)	(687,424,189)
Non-cash items				
Dividend declaration	–	230,000,000	–	230,000,000
New lease contracts entered during the year	–	–	99,026,389	99,026,389
Amortization of discount of bills payable	1,690,993	–	–	1,690,993
Amortization of interest expenses of lease liability	–	–	7,368,221	7,368,221
Balances as of December 31, 2024	₱109,875,757	₱366,853	₱145,013,702	₱255,256,312

	December 31, 2023			
	Bills payable (Note 11)	Dividends payable (Note 11)	Lease liabilities (Note 16)	Total
Balances as at January 1, 2023	–	₱159,547	₱134,849,298	₱135,008,845
Cash flows	498,169,178	(359,464,325)	(63,661,381)	75,043,472
Non-cash items				
Dividend declaration	–	360,000,000	–	360,000,000
New lease contracts entered during the year	–	–	29,711,750	29,711,750
Amortization of discount of bills payable	255,058	–	–	255,058
Amortization of interest expenses of lease liability	–	–	5,986,816	5,986,816
Closing of lease liability on lease modification	–	–	(1,411,043)	(1,411,043)
Balances as of December 31, 2023	₱498,424,236	₱695,222	₱105,475,440	₱604,594,898

21. Approval for the Release of Financial Statements

The BOD of the Bank has reviewed and approved the release of the accompanying financial statements on April 29, 2025.

22. Supplementary Information Required under Section 174 of the Manual of Regulations for Banks (MORB)

Presented below is the supplementary information required by BSP under Section 174 of the MORB to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS Accounting Standards.

Basic quantitative indicators of financial performance

The following basic ratios measure the financial performance of the Bank:

	2024	2023
Return on average equity	30.77%	29.30%
Return on average assets	9.09%	8.13%
Net interest margin	37.60%	34.90%

Description of capital instruments issued

As of December 31, 2024 and 2023, the Bank has two classes of capital stock, preferred and common stocks.

Significant credit exposures

The BSP considers that loan concentration exists when total loan exposure to a particular industry or economic sector exceeds 30.00% of total loan portfolio. Identified concentration of credit risks are managed and controlled.

As at December 31, 2024 and 2023, information on the concentration of receivables from customers as to industry follows (at gross amount):

	2024		2023	
	Amount	%	Amount	%
Wholesale and retail trade; repair of motor vehicles and motorcycles and personal and household goods	₱2,685,087,862	50.14%	₱2,514,433,712	51.54%
Agriculture, forestry and fishing	1,025,727,791	19.15%	900,523,923	18.46%
Administrative and support service activities	308,922,220	5.77%	319,131,508	6.54%
Real estate activities	194,472,492	3.63%	194,171,532	3.98%
Manufacturing	161,230,682	3.01%	168,163,384	3.45%
Arts, entertainment and recreation	271,842,337	5.08%	158,179,093	3.24%
Accommodation and food service activities	156,520,030	2.92%	145,881,928	2.99%
Human health and social work activities	180,989,118	3.38%	139,396,031	2.86%
Construction	138,786,349	2.59%	126,768,801	2.60%
Education	78,341,147	1.46%	69,437,259	1.42%
Transportation and storage	36,310,093	0.68%	35,778,463	0.73%
Professional, scientific and technical activities	17,317,604	0.32%	17,983,598	0.37%
Information and communication	14,897,395	0.28%	15,381,529	0.32%
Water supply, sewerage, waste management and remediation activities	5,805,427	0.11%	5,487,301	0.11%
Other services activities	79,154,958	1.48%	67,738,869	1.39%
	₱5,355,405,505	100.00%	₱4,878,456,931	100.00%

Loans per security

The following table shows the secured and unsecured portions of receivable from customers as at December 31, 2024 and 2023 (at gross amount):

	2024	2023
Secured portion		
Deposit hold-out	₱1,309,169,330	₱1,142,555,018
Unsecured portion	4,046,236,175	3,735,901,913
	₱5,355,405,505	₱4,878,456,931

Collateral of loans includes deposit hold-out at 15.00% of loan disbursed (Note 10).

Status of loans per product line

Information on the amounts of performing and NPL receivables (gross of allowance for credit losses) of the Bank, as reported to BSP, are as follows:

	2024			2023		
	Performing	Nonperforming	Total	Performing	Nonperforming	Total
Loans and receivables						
Microfinance loans	₱4,270,845,523	₱97,315,948	₱4,368,161,471	₱4,007,896,871	₱108,321,709	₱4,116,218,580
Other loans	973,757,072	13,486,962	987,244,034	751,586,423	10,651,928	762,238,351
Balance at end of year	₱5,244,602,595	₱110,802,910	₱5,355,405,505	₱4,759,483,294	₱118,973,637	₱4,878,456,931

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 is past due for one day. As at December 31, 2024 and 2023, the Bank's PAR amounted to ₱111.89 million and ₱119.33 million, respectively. The allowance for credit losses recognized for past due loans amounted to ₱65.75 million and ₱56.87 million as of December 31, 2024 and 2023, respectively.

As of December 31, 2024 and 2023, non-performing loans (NPLs) based on Circular No. 941 and as reported to the BSP amounted to as follows:

	2024	2023
Performing loans	₱5,244,602,595	₱4,759,483,294
Non-performing loans	110,802,910	118,973,637
Balance at end of year	₱5,355,405,505	₱4,878,456,931

Related party loans

As required by BSP, the Bank discloses loan transactions with investees and with certain directors, officers, stockholders and related interests (DOSRI). Existing banking regulations limit the amount of individual loans to DOSRI, 70.00% 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 15.00% of total loan portfolio, whichever is lower. As at December 31, 2024 and 2023, the Bank is in compliance with the regulatory requirements.

BSP Circular No. 423 dated March 15, 2004, as amended by BSP Circular No. 914 dated June 23, 2016, provide the rules and regulations governing credit exposures to DOSRI. The following table shows information relating to the loans, other credit accommodations and guarantees classified as DOSRI accounts under regulations existing prior to BSP Circular No. 423 and new DOSRI loans and other credit accommodations granted under said circular as of December 31, 2024 and 2023:

Particulars	2024		2023	
	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)	DOSRI Loans	Related Party Loans (inclusive of DOSRI loans)
Outstanding loans	₱33,543	₱33,543	₱18,080	₱18,080
Percent of DOSRI accounts to total Loans	0.00063%	0.00063%	0.00037%	0.00037%
Percent of unsecured DOSRI/Related Party loans to total loan portfolio	0.00039%	0.00039%	0.00017%	0.00017%
Percent of past due DOSRI/Related Party loans to total loan portfolio	—	—	—	—
Percent of non-performing DOSRI/Related Party loans to total loan portfolio	—	—	—	—

There are no unsecured DOSRI accounts in total outstanding DOSRI loans.

Secured liability and assets pledged as security

As of December 31, 2024 and 2023, the Bank has no liability that is secured by pledged assets.

Commitments and contingencies

There are no commitments and contingencies as at December 31, 2024 and 2023.

23. Supplementary Information Required under RR 15-2010

On November 25, 2010, the BIR issued RR 15-2010 prescribing the manner of compliance in connection with the preparation and submission of financial statements accompanying the tax returns. It includes provisions for additional disclosure requirements in the notes to the financial statements, particularly on taxes and licenses paid or accrued during the year.

The components of 'Taxes and licenses' recognized in the statement of income for the year ended December 31, 2024, follow:

Gross receipt tax	₱138,871,435
Documentary stamp tax	49,352,365
Business permits and licenses	10,987,825
Real property tax	341,280
Others	3,651,995
	₱203,204,900

Withholding taxes in 2024 are categorized into:

	Amount remitted	Outstanding as of December 31, 2024
Final withholding tax on interest expense and dividends declared	₱14,316,455	₱3,243,803
Expanded withholding tax	9,990,215	1,080,308
Withholding taxes on compensation and benefits	4,298,136	1,028,567
	₱28,604,806	₱5,352,678

Tax Assessments and Cases

On August 25, 2023, the BIR served the Letter of Authority No. *eLA20150004122/AUDM29-056-2023-042207* dated August 17, 2023, to examine the books of accounts and other accounting records for all internal revenue taxes including documentary stamp taxes and other taxes for the taxable period January 1, 2022 to December 31, 2022. The examination resulted in a total deficiency tax assessment of ₱2.83 million which was paid by the Bank on February 23, 2024.

On July 28, 2024, the BIR served the Letter of Authority No. *eLA201500041709/AUDM29-056-2024-083147* dated July 8, 2024, to examine the books of accounts and other accounting records for all internal revenue taxes including documentary stamp taxes and other taxes for the taxable period January 1, 2023 to December 31, 2023. The examination resulted in a total deficiency tax assessment of ₱3.31 million which was paid by the Bank on December 17, 2024.

As at December 31, 2024, the Bank has no outstanding tax assessment notice from the BIR or cases in court or bodies outside the BIR.



Appendices

PRODUCTS AND SERVICES

Loan Product	Product Description
MF-Sikap 1	Intended for the business or enterprise of the microfinance clients such as for working capital, purchase of equipment and assets for use in the business, buying of raw materials, etc.
MF-Sikap 1 GLIP	Assistance to the bank's loyal clients who are older than the mandatory exit age of 70 years old but are still engage and who need support for their business.
MF-Microfinance Plus	Intended for microfinance clients who have demonstrated success in managing their businesses and will be needing loans above Php150,000.00 up to Php300,000.00.
MF-Kabuhayan Loan	Intended for small entrepreneurs needing loan facility to support their expanding business operations, thereby creating jobs and employment opportunities and realize better income.
MF-Micro Agri Loan	Intended as support to clients who want to avail of microfinance loans that they can use in implementing agricultural and agriculture-related businesses.
MF-Micro Agri Loan GLIP	Assistance to the bank's loyal clients who are older than the mandatory exit age of 70 years old but are still engage in and who need support for their agricultural-related business.
MF-Special Agri Loan	Aims to grant agricultural loans to satisfy the higher financing needs for working capital or fixed assets of the farm or family needs.
MF-Micro Housing Loan	It is offered to give comfort to the clients and their family, as shelter is considered primary needs of everyone, intended for housing repair, maintenance, and renovation.
MF-Special Liquidity Fund	Exclusive to konek2CARD Agents in support to their liquidity and is intended as their revolving fund.
SME-Working Capital Loan	For financing the daily operations of a company or business and is expected to be repaid from the operating funds in the course of doing business.
SME-Investment Loan	For medium-term financing for a maximum term of three (3) years and is intended to finance the acquisition of fixed assets either as replacement or for business expansion.
OL-Educational Loan	Granted to clients for the purpose of supporting the educational needs of their children in school.
OL-Health Loan	Intended for clients who want to avail of insurance products for their protection against unexpected circumstances such as sickness, loss of life and property, among others.

Loan Product	Product Description
OL-Cellphone Loan	Intended to assist our clients in acquiring mobile phone/cellphone unit to support the bank's implementation of its Mobile Financial Services.
OL-Padala Now, Pay Later	This allows clients to send money through CARD Sulit Padala which they can pay later based on their chosen term.
OL-Personal Loan	Intended to provide flexible financial assistance to clients that can be utilized for their own personal consumption.
OL-Home Essentials	Intended for the purpose of acquiring home appliances, furniture, gadgets, solar products, and among others.

Deposit Products	Product Description
Pangkong-Ipon	Serves as client's capital build-up and also as loan guarantee given that loans are non-collateralized. It consists of the P50 weekly deposits with 2.50% interest rate per annum.
Kusang-Ipon	Represents regular savings account evidenced by passbook or konek2CARD account with 1.00% interest rate per annum.
Tagumpay	It is a recurring deposit savings account with fixed deposit amount every week/month until it reaches the maximum term of 5 years, supported by a signed agreement/contract with 5.00% interest rate per annum.
Bantay-Ipon	Is special savings account (time deposit) which helps the client secure savings for a better future. Its interest rate ranging from 3.60% to 4.10% depending on the amount of deposit and term.
Agap-Ipon	Designed for children to enable them to develop the habit of saving at an early age with 1.00% interest rate per annum.
Katuparan	It is a recurring deposit account with a fixed deposit amount every week with a pre-determined target total savings amount after a definite period with interest rate that depends on the desired target savings and term, and is supported by a signed agreement/contract.
Matatag	Represents savings account that provides option for regular savings with easy access to withdraw 24x7 through the automated teller machine (ATM) with 0.5% interest rate per annum.

Deposit Products	Product Description
Kalingang-Ipon	Intended for Senior Citizens to accumulate funds to open a Gabay-Ipon account, while also yielding 2.00% interest rate per annum returns on their hard-earned money.
Gabay-Ipon	A term deposit savings product exclusively for Senior Citizens with the goal of providing high returns on their hard-earned money and investments. Its interest rate ranges from 3.75% to 5.80% depending on the amount of deposit and term.
Checking Account	It is a current or demand account with check book facility and is only available in Sta Cruz HO Branch with 1.00% interest rate per annum, for interest bearing account.

Other Products & Services	Product Description
Remittance (CARD Sulit Padala)	A fast and affordable domestic remittance service available to the general public. It is available in all CARD MRI bank branches nationwide including partner payout centers of CARD MRI Financial Institutions of CARD Bank, CARD SME Bank and CARD, Inc. The amount that can be remitted is from PhP1.00 to PhP100,000.00 with fees from PhP1.00 to 1% of principal amount of remittances.
Other Domestic and International Remittances	With the aim of further expanding its remittance operations, the bank collaborated with the following remittance service providers for the benefit of the bank clients and the general public: 1. Western Union (Domestic and International Remittances) – Inbound and Outbound 2. Cebuana Pera Padala Service (Domestic Remittances)

Cross-selling of Micro-Insurance Products	Service Description
CARD Mutual Benefit Association Products	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. 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
CARD-Pioneer Microinsurance Inc. (CPMI) Products	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. List of Cross-Sell MBA Products 1. SAGIP Plan 2. Kabuklod Plan 3. CARD Care 4. Emergency Room (ER) Care 5. ProteKita Insurance 6. Konek2Protek Insurance 7. BINHI and High Value Crop Insurance
RIMANSI Mutual Solutions Inc.	The Bank worked together with RIMANSI Mutual Solutions Inc. with a common desire for helping Filipinos to rise out of poverty. It is a social enterprise that aims to make available a variety of high quality and affordable risk-free micro insurance products and services to uninsured and underinsured low-income Filipinos. List of Cross-sell RIMANSI Mutual Solutions, Inc. Products 1. Dakila Insurance Program Plan

Bills Payment Services	Product Description
Bills Payment Services	With the objective to provide full financial services to our clients, the Bank has entered into collection agreement with different payment platform providers to bring bills payment services closer to the doorstep of our clients. Thru the offering of this service, Bank has become a one-stop-shop where members can have all its financial transaction be 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)

Digital Services	Product Description
konek2CARD and konek2CARD Plus Mobile Financial Services	Allows the clients of the bank enjoy a hassle-free banking transaction anytime, anywhere using their smart phones. Through this app, clients can monitor their savings and loan accounts with the bank and facilitate various transactions at the comfort of their home or through several authorized bank agents. It can be downloaded through the Google Playstore by smart phones using android software.
Digital Cash Machine	Terminal available in all branches that enables bank clients to perform cardless cash withdrawal using the Quick Response (QR) code generated from the konek2CARD app.
Automated Teller Machine	Provide convenience and accessibility in facilitating several financial transactions of bank clients 24/7 and available in 10 bank branches.
CARMELA Chatbot	Chatbot system through Facebook Messenger that accepts, process and approves loan applications of pre-qualified bank clients.

AWARDS

BIR RDO 056 TOP TAXPAYER FOR THE YEAR 2024

CARD MRI Rizal Bank was awarded the top 5 Corporate Taxpayer for the year 2024 by BIR Revenue District Office No. 56, Central Laguna, Calamba City. This prestigious recognition underscores the bank's commitment to fulfilling its fiscal responsibilities, directly supporting to the nation-building and the realization of the Government's Plans and Programs.

PARTNERSHIP

PARTNERS / COLLABORATIONS

- Bangko Sentral ng Pilipinas (BSP)
- BancNet
- Land Bank of the Philippines (LBP)
- Bank of the Philippine Islands (BPI)
- East West Bank (EWB)
- Banco De Oro (BDO)
- United Coconut Planters Bank (UCPB)
- Metro Bank and Trust Company (MBTC)
- Rizal Commercial Banking Corporation (RCBC)
- Philippine National Bank (PNB)
- Cebuana Lhuillier Services Corporation
- Hybrid Social Solutions, Inc.
- VIC Imperial Appliance Corporation
- IT Avenue General Merchandise Inc.
- Abenson Ventures, Inc.
- Addessa Corporation

OFFICE DIRECTORY

Region	Branch	BLUs	Address
Luzon	Sta Cruz - Head Office		P. Guevarra St. Corner Aguire St. Brgy Poblacion II, Sta. Cruz, Laguna
		Magdalena	Arellano St. Poblacion Magdalena, Laguna
		Cavinti	MH Del Pilar St. Poblacion Cavinti, Laguna
		Luisiana	Roasa St. Brgy. San Antonio, Luisiana, Laguna
		Lumban	10 Tabia St. Bagong Silang Lumban, Laguna
		Majayjay	P. Zamora St., Brgy. San Miguel, Majayjay, Laguna
		Pagsanjan	Mae-Ann Village, Sampaloc, Pagsanjan, Laguna
		Kalayaan	39 T. Montes St., Longos, Kalayaan Laguna
	Siniloan		L. De Leon St., Brgy. Wawa, Siniloan, Laguna
		Sta Maria	Brgy. Bagong Pook Sta Maria, Laguna
		Mabitac	243 A Mabini St., Libis ng Nayon, Mabitac, Laguna
		Famy	Brgy. Damayan, Famy, Laguna
		Paete	V AC AC St., Brgy. Bangkusay (POB), Paete, Laguna
		Sta Maria 2	Bagong Pook, Sta Maria, Laguna
	Tanay		Corners M.H. Del Pilar and M.L. Quezon St. Plaza Aldea, Tanay, Rizal
		Morong	385 E. Dela Paz St., Maybancal, Morong, Rizal
		Jala Jala	209 M. Bellin St. Special District, Jala Jala, Rizal
		Tanay 3	Near Kampupot corner J.P. Rizal Ave., Brgy. Sampaloc, Tanay, Rizal
		Pililla 2	A. Luna St. Quisao, Pililla, Rizal
		Tanay 5	Bongainvilla St. Marilaque Road, Brgy. Sampaloc, Tanay, Rizal
		Jalajala 2	Umandap St., Sitio Naglabas, Brgy. Pagkalinawan, Jalajala, Rizal
		Baras	169 M. Velgado St., Sitio Soro-Soro, Brgy. Santiago, Baras, Rizal
	Taytay		Erika's Prosperity Building, Talisay Street, Ilog Pugad, Taytay Rizal
		Angono	339 Chesapeake St., Richmond Subd. San Isidro, Angono, Rizal
		Binangonan 1	Brgy. Tayuman, Binangonan, Rizal
		Cainta	35B Tennis St New St Francis Village Brgy. San Juan Cainta, Rizal
		Taytay 2	B1 Exodus, Sta Ana, Taytay, Rizal
		Taytay 3	L-36 Saudi St. Purok 8, Bagong Pag-asa, Sta Ana, Taytay, Rizal
		Cainta 3	B1 L2 Ascuna St, Village East Exec Subd, Sto Domingo, Cainta, Rizal
		Pasig 2	B7 L2 Chico Cor Kaimito St., Villa Cuana Pinagbuhatan, Pasig City
		Pasig 3	Lot 1 Katiyakan St., Karangalan Village, Manggahan, Pasig City

Region	Branch	BLUs	Address
		Pasig 1	437 N Cruz St., Villa Raymundo, Palatiw, Pasig City
		Angono 2	#6 Bloomingdale Ave, Bloomingdale Homes Subd, San Pedro, Angono, Rizal
		Pateros	8 Block 1 E. Hermosa St. Grem Village Subd. Brgy. San Roque, Pateros, Metro Manila
	Antipolo City		Provincial Road, Dona Naty, Brgy. Dalig, Antipolo City
		Antipolo 2	22 St Agnes Street Phase 1 Maries Village II Mayamot, Antipolo City
		Antipolo 3	Blk1 Lot 2 Sambaville, Brgy San Luis Antipolo City, Rizal
		Teresa	164 Sgt. Santiago St., May-Iba, Teresa, Rizal
		Binangonan 2	P. Burgos St., Brgy. Lunsad, Binangonan, Rizal
		Cardona	0515 Purok 2, Looc, Cardona, Rizal
		Binangonan 3	Kaypita St., Kinaboogan, Binangonan, Rizal
	Taguig Branch		Lot 12 Block 3 General Santos Ave Purok 6 Lower Bicutan Taguig City
		Muntinlupa 1	Blk 12 Lot 17 Soldiers Hills Subd. Putatan Muntinlupa City
		Muntinlupa 2	539 Cupang Muntinlupa City
		Muntinlupa 3	Lot 2 Country Drive, Country Homes Subd. Brgy. Putatan Muntinlupa City
		Muntinlupa 4	12 Bunye Compound, Ilaya St., Alabang, City of Muntinlupa
		Taguig 5	#36 ML Quezon St. Adia Bagumbayan, Taguig City
		Taguig 2	#10 Katipunan St., Bambang, Taguig City
	Marikina		14 Gen Ordonez St., Marikina Heights, City of Marikina
		Commonwealth 1	No. 141, Don Fabian Extension, Manggahan Commonwealth, Quezon City
		Commonwealth 2	Blk 2 Lot 7, Kamagong Ext., Commonwealth, Quezon City, Metro Manila
		San Mateo	M.H. Del Pilar St. Guitnang Bayan II, San Mateo, Rizal
		Montalban	89 JP Rizal St. Brgy. Manggahan, Rodriguez Rizal
		Cubao	76 K-5th Street, Kamuning, Quezon City
	Baliuag		1733 Ano St., Poblacion, Baliwag, Bulacan
		San Ildefonso	#29-D Cuevas St., Lapnit, San Ildefonso, Bulacan
		Bustos	Sto Nino St., Poblacion, Bustos, Bulacan
		San Rafael	05 Mabalas-Balas, San Rafael, Bulacan
		San Miguel	130 Mavio St, Tigpalas, San Miguel, Bulacan
		Pulilan	San Francisco Poblacion Pulilan Bulacan
		Plaridel	712 Cagayan Valley Road, Banga 1st, Plaridel, Bulacan
		San Ildefonso 2	Malipangpang, San Ildefonso, Bulacan
		Pandi	84 Cupang, Pandi, Bulacan

Region	Branch	BLUs	Address
	Malolos		Ground Floor Jhem Building, Crossing Malolos, Guinhawa, Malolos, Bulacan
		Calumpit	Brgy Pio Cruzcosa, Calumpit, Bulacan
		Hagonoy 1	Apartment 3, Purok 6 San Agustin Hagonoy Bulacan
		Bocaue	B24 L15 Villa Zaragosa, Turo, Bocaue, Bulacan
		Guiguinto	79 Sampaguita St., Voleta Village, Sta Cruz, Guiguinto, Bulacan
		Paombong	San Isidro II, Paombong, Bulacan
	San Fernando		Mc Arthur Hi-way Brgy. Dolores, San Fernando City, Pampanga
		Lubao	Lot 20, Jasa Road St., Dominic Subdivision, San Roque Arbol, Lubao, Pampanga
		Sta Ana	Sta. Lucia, Sta Ana, Pampanga
		Guagua	Lot 3-1 PSD 35701 Plaza Burgos Guagua, Pampanga
		Macabebe	San Roque, Macabebe, Pampanga
		San Simon	Mac Arthur Hi-way San Agustin San Simon, Pampanga
		Florida Blanca	Purok 4, Solib, Florida Blanca, Pampanga
		Apalit 2	Vincent Ville, Brgy San Vicente Apalit Pampanga
		Minalin	San Pedro, Minalin, Pampanga
		Mexico 2	Old Street Purok 2, San Pablo, Mexico, Pampanga
	Angeles		346 and 347 Miranda St. Sto Rosario, Angeles City, Pampanga
		Mabalacat	104-A Roxas St. Lakandula, Mabalacat City
		Magalang	Mabuko, Sta. Cruz, Magalang, Pampanga
		Arayat	Camba, Arayat, Pampanga
		Mabalacat 2	Lot 13 Blk 11 Goldenland Subd. Mabiga, Mabalacat, Pampanga
	Iba		Poblacion Zone 1, Iba Zambales
		Masinloc	Purok 6 Brgy. Collat, Masinloc, Zambales
		Sta Cruz	Eliazo Poblacion South Sta Cruz, Zambales
		Cabangan	Purok 2 Brgy Longos Cabangan Zambales
		Palauig	Unit 4, Alan Del Fierro Apartment, Burgos St., West Poblacion, Palauig, Zambales
	Solano		JP Rizal Avenue, National Road, Roxas, Solano, Nueva Vizcaya
		Dupax Del Norte	Brgy. Malasin, Dupax Del Norte, Nueva Vizcaya
		Aritao	Tucay Street, Poblacion, Aritao, Nueva Vizcaya
		Kasibu	Purok 2, Poblacion, Kasibu, Nueva Vizcaya
		Bambang	Buag, Bambang, Nueva Vizcaya
		Bagabag	P1 San Pedro, Bagabag, Nueva Vizcaya
		Villaverde	Ibung, Villaverde, Nueva Vizcaya
		Lamut	Chico Street, Poblacion West, Lamut, Ifugao
	Santiago		City Road Calao West, Santiago City, Isabela

Region	Branch	BLUs	Address
		Echague	Soyung, Echague, Isabela
		Jones	Barangay 1, Jones, Isabela
		Alfonso Lista	Sta. Maria, Alfonso Lista, Ifugao
		Diadi	Poblacion, Diadi, Nueva Vizcaya
		Ramon	Bugallon Proper, Ramon, Isabela
		Cordon	11 Sta. Maria St., Purok 5, Magsaysay (Centro Sur Oeste), Cordon, Isabela
		Echague 2	Purok 4, Pangal Norte, Echague, Isabela
	Cabarroguis		P3 Gundaway, Cabarroguis, Quirino
		Diffun	Purok 1, Aurora West, Diffun, Quirino
		Aglipay	Purok 2, San Leonardo, Aglipay, Quirino
		Nagtipunan	Purok 7, Brgy. Ponggo, Nagtipunan, Quirino
		Maddela	Galapon St., Villa Hermosa Sur, Maddela, Quirino
	Cauayan		SH Bldg. Canciller, District 1, Cauayan City, Isabela
		Alicia	Brgy. Antonino, Alicia, Isabela
		San Mateo	Barangay II, San Mateo, Isabela
		Naguilian	Magsaysay, Naguilian, Isabela
	Ilagan		Baligatan, Ilagan City, Isabela
		Tumauini	District 1, Tumauini, Isabela
		Gamu	District 2, Gamu, Isabela
		Gamu 2	District 3, Gamu, Isabela
		Tumauini 2	Carpintero, Tumauini, Isabela
	Roxas		Osmena St. Brgy. Vira, Roxas, Isabela
		Burgos	San Antonino, Burgos, Isabela
		Aurora	Sta Rita, Aurora, Isabela
		Cabatuan	San Andres, Cabatuan, Isabela
		Quezon	Purok 1, Santos, Quezon, Isabela
	Tuguegarao		Provincial Road, Balzain, Tuguegarao City, Cagayan
		Peñablanca	Camasi, Peñablanca, Cagayan
		Iguig	Ajat, Iguig, Cagayan
		Cabagan	Centro, Cabagan, Isabela
		San Pablo	Poblacion, San Pablo, Isabela
	Solana		Maddarug, Solana, Cagayan
		Tabuk	Estranero St., Purok Datu, Bulanao Norte, City of Tabuk, Kalinga
		Piat	Zone 5, Baung, Piat, Cagayan
		Tuao	Alabug, Tuao, Cagayan

Region	Branch	BLUs	Address
		Enrile	Bliss Site, Barangay II, Enrile, Cagayan
	Alcala		Centro Norte, Alcala, Cagayan
		Gattaran	L. Adviento, Gattaran, Cagayan
		Gattaran 2	Nabaccayan, Gattaran, Cagayan
		Baggao	Zone 2, San Jose, Baggao, Cagayan
		Baggao 2	Tallang, Baggao, Cagayan
	Aparri		Centro 8, Aparri, Cagayan
		Lal-lo 2	Sta. Maria, Lal-lo, Cagayan
		Lasam	Centro 2, Lasam, Cagayan
		Sta Teresita	Centro West, Sta. Teresita, Cagayan
		Gonzaga	Paradise, Gonzaga, Cagayan
		Lal-lo 1	Centro, Lal-lo, Cagayan
Visayas	Carigara		Brgy. Ponong, Carigara, Leyte
		Jaro	544 San Jose Barangay 3, Jaro, Leyte
		Leyte	Poblacion, Leyte, Leyte
		Tunga	Sto. Nino, Tunga, Leyte
		San Miguel	Real St., Brgy. Cayare San Miguel, Leyte
	Ormoc		Lilia Avenue Brgy. Cogon Combado, Ormoc City
		Ormoc 3	Bgy. San Pablo, Ormoc City
		Kananga	F.A Larrazabal St. Poblacion, Kananga, Leyte
		Albuerra	Bgy Poblacion, Albuera, Leyte
		Matag-ob	Brgy. Riverside, Matag-ob, Leyte
		Merida	Poblacion, Merida, Leyte
	Palompon		Guiwan II, Palompon, Leyte
		Isabel	Brgy. Sto. Nino, Isabel, Leyte
		Tabango	Barangay Poblacion, Tabango, Leyte
		Villaba	Poblacion Del Sur, Villaba, Leyte
	Carcar		Awayan, Poblacion 3, Carcar, Cebu
		Barili	SWT, Poblacion, Barili, Cebu
		Minglanilla 1	Upper Tulay, Minglanilla, Cebu
		Minglanilla 2	Upper Tulay, Minglanilla, Cebu
		Dumanjug	Sima, Dumanjug, Cebu
		Moalboal	Poblacion West, Moalboal, Cebu
		San Fernando	South Poblacion, San Fernando, Cebu
		Naga 1	Tabtuy, Tuyan, City of Naga, Cebu

Region	Branch	BLUs	Address
		Naga 2	South Poblacion, City of Naga, Cebu
		Barili 2	Mantalongon, Barili, Cebu
		Naga 3	South Poblacion, City of Naga, Cebu
	Argao		National Highway, Poblacion, Argao, Cebu
		Oslob	Poblacion, Oslob, Cebu
		Dalaguete	Poblacion, Dalaguete, Cebu
		Sibonga	Poblacion, Sibonga, Cebu
		Ginatilan	Poblacion, Ginatilan, Cebu
		Alcoy 2	Poblacion, Alcoy, Cebu
		Sibonga 2	G. Hermosissima St., Poblacion, Sibonga, Cebu
	San Carlos City		Cor. V. Gustilo – Dos Hermanos St., Barangay III, San Carlos City, Negros Occidental
		Canlaon	National Highway, Mabigo, Canlaon City, Negros Oriental
		Vallehermoso	Don Diego Dela Viña St., Poblacion, Vallehermoso, Negros Oriental
		Jimalalud	North Poblacion, Jimalalud, Negros Oriental
		Guihulngan	Carmenville, Bateria, Guihulngan City, Negros Oriental
		Bacolod	Lot 21 Blk. 2 Alice St. Airport Subd. Singcang-Airport, City of Bacolod, Negros Occidental
	Bais		Juan Luna St. Barangay 1, Bais City, Negros Oriental
		Manjuyod	Sundo-an, Manjuyod, Negros Oriental
		Bindoy	Poblacion, Bindoy, Negros Oriental
		Ayungon 1	Poblacion, Ayungon, Negros Oriental
		Mabinay 2	Poblacion, Mabinay, Negros Oriental
		Ayungon 2	Awa-an, Ayungon, Negros Oriental
		Kabankalan	Phase 2 Don Emilio Village, Barangay 9, City of Kabankalan, Negros Occidental
	Dumaguete		Manhattan Grand Valley Estate Inc. Bldg., Locsin Extension, Brgy. Taclobo, Dumaguete City, Negros Oriental
		Sibulan	Purok 1, Ablir St., Poblacion, Sibulan, Negros Oriental
		Amlan	Tandayag, Amlan, Negros Oriental
		Zamboanguita	Luna Street, Poblacion, Zamboanguita, Negros Oriental
		Bacong	North Poblacion, Bacong, Negros Oriental
		Valencia	North Poblacion, Valencia, Negros Oriental
		Dauin	Masaplod Norte, Dauin, Negros Oriental
		Tanjay	Rizal St. Brgy. 6 Tanjay City, Negros Oriental
		Pamplona	Habitat Poblacion Pamplona, Negros Oriental
	Bayawan		Purok San Vicente, National Hiway, Villareal, Bayawan City, Negros Oriental
		Basay	Poblacion, Basay, Negros Oriental

Region	Branch	BLUs	Address
		Siaton	Purok 3, Brgy 3, Siaton, Negros Oriental
		Sta Catalina	Medina Street, Poblacion, Sta. Catalina, Negros Oriental
		Siaton 2	Purok 5, Bonawon, Siaton, Negros Oriental
	Siquijor		South Poblacion, Siquijor, Siquijor
		Larena	Bontod, Larena, Siquijor
		Lazi	Tigbawan, Lazi, Siquijor
		Maria	Poblacion Norte, Maria, Siquijor
Mindanao	Dipolog City		Mabini Street corner Magsaysay Street, Barra, Dipolog City, Zamboanga Del Norte
		Polanco	Poblacion North, Polanco, Zamboanga Del Norte
		Manukan 1	Poblacion, Manukan, Zamboanga Del Norte
		Piñan	Poblacion North, Piñan, Zamboanga Del Norte
		Manuel Roxas	Langatian, President Manuel A. Roxas, Zamboanga Del Norte
		Jose Dalman	Poblacion, Jose Dalman, Zamboanga Del Norte
		Sergio Osmeña	Poblacion Alto, Sergio Osmeña Sr., Zamboanga Del Norte
		Dapitan	Lawa-an, Dawo, Dapitan City, Zamboanga Del Norte
		Katipunan	Barangay Uno, Katipunan, Zamboanga Del Norte
		Sindangan 1	Poblacion, Sindangan, Zamboanga Del Norte
		Mutia	Poblacion, Mutia, Zamboanga Del Norte
		Rizal	West Poblacion, Rizal, Zamboanga Del Norte
		Leon Postigo	Poblacion, Leon Postigo, Zamboanga del Norte
	Oroquieta City		Purok 1, Layawan, Oroquieta City, Misamis Occidental
		Aloran	Labo, Aloran, Misamis Occidental
		Plaridel	Southern Poblacion, Plaridel, Misamis Occidental
		Jimenez	Naga, Jimenez, Misamis Occidental
		Calamba	Southwestern Poblacion, Calamba, Misamis Occidental
		Lopez Jaena	Western Poblacion, Lopez Jaena, Misamis Occidental
		Ozamis	Ledesma St., Carmen Annex, Ozamiz City, Misamis Occidental
		Tudela	Purok 2, Centro Napu, Tudela Misamis Occidental
		Clarín	P-4, Mialen, Clarin, Misamis Occidental
	Buenavista		National Highway, Manapa, Buenavista, Agusan Del Norte
		Butuan	Jose Rizal, Butuan City, Agusan del Norte
		Butuan 2	Phase 4, Block 16 Purok 13, Eastwood Subdivision, Baan KM3 Butuan City, Agusan Del Norte
		Butuan 3	New Paradise Subdivision, Libertad, Butuan City, Agusan del Norte
		Butuan 4	P-8 Limaha, Butuan City, Agusan del Norte
		Las Nieves	Poblacion, Las Nieves, Agusan del Norte

Region	Branch	BLUs	Address
		Kitcharao	Crossing, Kitcharao, Agusan del Norte
		Cabadbaran	Purok 3, Poblacion 9, Cabadbaran City, Agusan Del Norte
		Remedios Romualdez	Purok 4, Poblacion II, Remedios T. Romualdez, Agusan Del Norte
		Santiago	Purok 4, Poblacion II, Santiago, Agusan Del Norte
		Tubay	Purok 1, Dona Rosario, Tubay, Agusan Del Norte
		Magallanes	Purok 8 Buhang, Magallanes, Agusan Del Norte
	San Francisco		National Highway, Barangay 5, San Francisco, Agusan del Sur
		Rosario	P-1, Brgy. Poblacion, Rosario, Agusan Del Sur
		Rosario 2	Purok Doldol, Santa Cruz, Rosario, Agusan Del Sur
		Prosperidad	Purok 8, Poblacion, Prosperidad, Agusan del Sur
		Bayugan	P-4 Taglatawan, City of Bayugan, Agusan del Sur
		Barobo	P1 B, Poblacion, Barobo, Surigao Del Sur
	Trento		Purok 7, Brgy. Poblacion, Trento, Agusan Del Sur
		Bunawan	P-5, Brgy. San Teodoro, Bunawan, Agusan Del Sur
		Bunawan 2	Purok 1, San Teodoro, Bunawan, Agusan Del Sur
		Santa Josefa	Brgy. Poblacion, Santa Josefa, Agusan Del Sur
		Veruela	P-2, Brgy. Poblacion, Veruela, Agusan Del Sur
		Monkayo	Lot 5, Blk. 4, Purok 9, Poblacion, Monkayo, Davao de Oro
	Surigao City		KM3, National Highway, Luna, Surigao City, Surigao del Norte
		Placer	Bad-As, Placer, Surigao del Norte
		Sison	Poblacion (San Pedro), Sison, Surigao del Norte



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