

REPUBLIC OF THE PHILIPPINES)  
CITY OF CEBU ) S.S.  
X ----- X

### SECRETARY'S CERTIFICATE

I, **RIA LIDIA G. ESPINA**, of legal age, Filipino, and a resident of Park Vista Townhomes, Apas, Cebu City, after being sworn to in accordance with law, depose and say, that:

1. I am the duly elected Corporate Secretary of **ASPAC RURAL BANK, INC.**, a corporation duly organized and existing under the laws of the Republic of the Philippines with principal office address at M.C. Briones Highway cor. Gen. Ricarte St., Guizo, Mandaue City, Cebu;

2. During the regular meeting of the Board of Directors of said Corporation held on May 23, 2025 at Colon Room, City Sports Club, Cebu Business Park, Cebu City, wherein quorum was present and acting throughout, the Board approved the following resolutions, to wit:

#### Board Resolution No. 05A-05 s.2025

"WHEREAS, on 17 January 2025, ASPAC Rural Bank, Inc. (the "Bank") received via email, the evaluation results from the Bangko Sentral ng Pilipinas (BSP) regarding the Bank's submission of its Annual Report for the year 2023;

WHEREAS, on even date, the Board of Directors of the Bank approved Resolution No. 01A-03 s.2025, which detailed the actions taken to address the findings noted by the BSP in its evaluation of the 2023 Annual Report, with the exception of Item No. 3, which states:

"Bank Management shall revise the Sustainable Finance Framework Policy to incorporate the required sustainability disclosures, replacing the September 22, 2023 policy. This revision shall be subject to the Board's approval and shall be included in the Annual Report for the year 2024."

WHEREAS, copies of the BSP's evaluation and the said Board Resolution are duly recorded and maintained in the Bank's records;

NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, to approve the course of actions set forth in Annex "A" and direct their effective and timely implementation across all branches and units of the Bank;

RESOLVED, FURTHER, to instruct the Internal Audit and Compliance Department of the Bank to diligently perform their respective functions, particularly the conduct of audit activities and compliance testing in accordance with the approved action plan;

RESOLVED, FINALLY, that a copy of this Board Resolution be furnished to Bangko Sentral ng Pilipinas for reference/file".

IN WITNESS WHEREOF, I have hereunto set my hand and affixed by signature this JUN 27 2025 at Cebu City, Philippines.

  
**RIA LIDIA G. ESPINA**  
Corporate Secretary

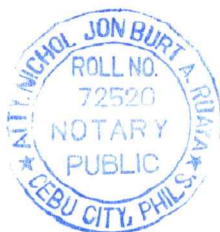
ATTESTED BY:


  
**KENNETH GREGORY MANUEL L. GO**  
Chairman

SUBSCRIBED AND SWORN to before me this JUN 27 2025 in the City of Cebu, Philippines, Affiant Ria Lidia G. Espina, exhibited to me her PRC bearing an ID No. 0087049 issued on June 26, 1992 and it is valid until March 27, 2026.

Doc. No. 186 ;  
Page No. 39 ;  
Book No. II ;  
Series of 2025.

6.26.25



  
**ATTY. NICHOL JON BURT A. RUAYA**  
Notary Public Cebu City  
Commission No. 002-20  
Valid until December 31, 2025  
Roll of Attorneys No 72520  
IBP No. 481160, 12/05/2024, Cebu City  
PTR No. 1383774, 12/05/2024, Cebu City  
MCLE Compliance No. VIII-0002689, 04/14/2028  
2 nd Floor, UG Main Bldg., Sanciango St., Cebu City  
Email: ruaya.nichol.jba@gmail.com

REPUBLIC OF THE PHILIPPINES)  
CITY OF CEBU ) S.S.  
X ----- X

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- 1. I am the duly elected Corporate Secretary of **ASPAC RURAL BANK, INC.**, a corporation duly organized and existing under the laws of the Republic of the Philippines with principal office address at M.C. Briones Highway cor. Gen. Ricarte St., Guizo, Mandaue City, Cebu;
- 2. During the regular meeting of the Board of Directors of said Corporation held on May 23, 2025 at Colon Room, City Sports Club, Cebu Business Park, Cebu City, wherein quorum was present and acting throughout, the Board approved the following resolutions, to wit:

**Board Resolution No. 05A-06 s.2025**

“WHEREAS, in compliance with the annual regulatory and reportorial requirements under Section 175 and Appendices 62 and 125 of the Manual of Regulations for Banks (MORB), ASPAC Rural Bank, Inc. (“Bank”) has prepared and disclosed the proactive measures undertaken for the year 2024;

WHEREAS, the Bank’s disclosures, as required under the Supplemental Disclosure provisions, include the following key aspects:

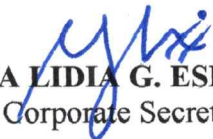
- a. Details and explanations of any significant changes during the year;
- b. Highlights of major activities during the year that impacted operations;
- c. Major strategic initiatives of the Bank; and,
- d. Challenges encountered, opportunities identified, and corresponding responses during the year;

NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, to approve the Bank’s Supplemental Disclosures as detailed in the Annex “A”, which is attached hereto and forms an integral part of this Resolution;


RESOLVED, FURTHER, to direct the Compliance Officer to disseminate the contents of the Supplemental Disclosures to all Bank personnel for their information and necessary action. The designated IT personnel is likewise instructed to ensure the timely posting of the 2024 Annual Report on the Bank’s official website;

RESOLVED, FINALLY, that a copy of this Board Resolution be furnished to Bangko Sentral ng Pilipinas for reference/file”.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed by signature this JUN 27 2025 at Cebu City, Philippines.

  
**RIA LIDIA G. ESPINA**  
Corporate Secretary


ATTESTED BY:

  
**KENNETH GREGORY MANUEL L. GO**  
Chairman

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Doc. No. 187 ;  
Page No. 39 ;  
Book No. 11 ;  
Series of 2025.  
6.26.25



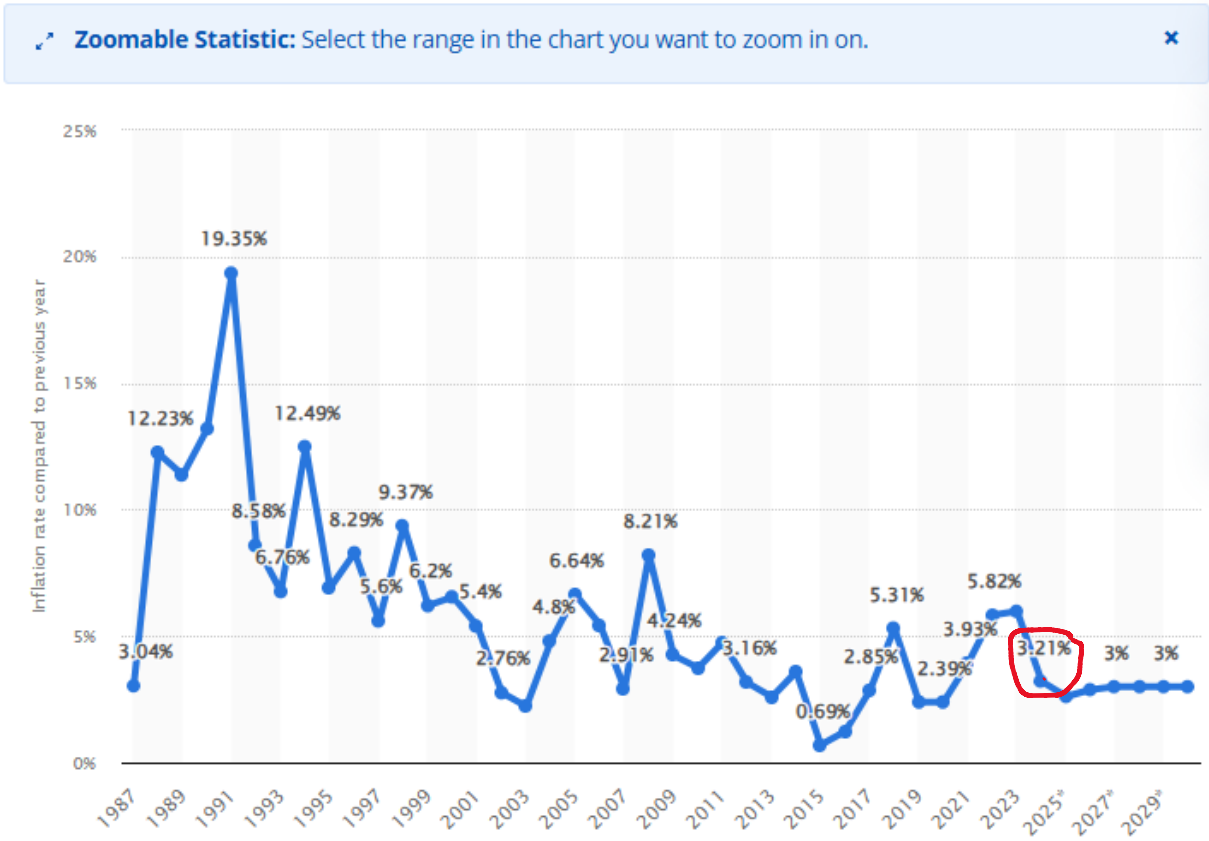
  
**ATTY. NICHOL JON BURT A. RUAYA**  
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MCLE Compliance No. VIII-0002699, 04/14/2028  
2 nd Floor, UC Main Bldg., Sanclangko St., Cebu City  
Email: ruaya.nichol.jba@gmail.com



SUPPLEMENTAL DISCLOSURES of Board Resolution No. 05A-06 s.2025 dated on May 23, 2025

- A. DETAILS AND EXPLANATIONS FOR ANY SIGNIFICANT CHANGE DURING THE YEAR.
- 1. **Vaccination:** The rollout of COVID-19 vaccines has evolved, with a shift in focus to annual uptake rather than continuous coverage ; Rare side effects from vaccines have been confirmed, but they remain very uncommon.
  - 2. **Public Health Measures:** While COVID-19 is no longer a national public health emergency in many places, it still poses health risks, and understanding its burden helps in planning and prevention;
  - 3. In 2024, the inflation rate in the Philippines was **3.21%**. This rate reflects the overall increase in prices for goods and services throughout the year. The inflation rate varied across different regions and was influenced by factors such as food prices, transportation costs, and housing expenses;

Philippines: Inflation rate from 1987 to 2030  
*(compared to the previous year)*



- 4. In 2024, global inflation was notably high, reaching around **5.76%**. This marked the highest annual increase since 1996. Several factors contributed to this surge, including rising energy and food prices, fiscal instability following the pandemic, and ongoing consumer insecurity. Despite these challenges, there were signs of moderation by mid-2024, with median global inflation dropping to 3.1% in the second quarter. Central banks around the world began to end their tightening cycles, which helped stabilize the situation.

Global inflation rate from 2000 to 2022, with forecasts until 2029  
(percent change from previous year)



5. In 2024, global warming reached unprecedented levels, making it the warmest year on record. The average global surface temperature was 1.55°C above pre-industrial levels, surpassing previous records set in 2023. This significant increase was driven by heat-trapping greenhouse gases like carbon dioxide and methane. The impacts were widespread, including extreme weather events, rising sea levels, and record ocean heat.

[nasa.gov/news-release/temperatures-rising-nasa-confirms-2024-warmest-year-on-record/](https://nasa.gov/news-release/temperatures-rising-nasa-confirms-2024-warmest-year-on-record/)

5 MIN READ

Temperatures Rising: NASA Confirms 2024 Warmest Year on Record



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WMO confirms 2024 as warmest year on record at about 1.55°C above pre-industrial level


PRESS RELEASE

6. In 2024, the Philippines experienced significant impacts from global warming. The country faced an increase in the frequency and intensity of extreme weather events, including super typhoons, heatwaves, and flooding.

The Manila Times

State of the Global Climate 2024: Impact on the Philippines

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By Ludwig Federigan

March 29, 2025

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"THE State of the Global Climate 2024," released by the World Meteorological Organization (WMO) on March 19, 2025, unveils alarming trends and stark realities regarding our changing climate. It serves as a clarion call for urgent action, particularly for vulnerable countries in the Global South, where climate change impact is increasingly severe and immediate. The Philippines, one of the most climate-vulnerable nations, exemplifies the precarious position that many developing countries find themselves in as they grapple with

Additionally, extreme heat events became more common, with temperatures rising about **1.2°C higher** due to human-induced climate change.

gmanetwork.com/news/scitech/weather/906887/extreme-heat-in-ph-made-worse-by-climate-change-study/story/

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temperature for the period April 15 to 29,

2024, or 15 days.

Sider

"To estimate the influence that human-caused climate change has had on extreme heat in West Asia and the Philippines, we combine climate models with observations. Observations and models both show a strong increase in likelihood and intensity. In the Philippines, the change in likelihood is so large that the event would have been impossible without human-caused climate change. In West Asia, climate change increased the probability of the event by about a factor of 5," the [World Weather Attribution](#) study said.

"In terms of intensity, we estimate that a heatwave such as this one in West Asia is today about 1.7°C warmer than it would have been without the burning of fossil fuels. In the Philippines, the intensity increase due to human-induced climate change is about 1.2°C."

7. To promote a safer place ecosystem ( "The Earth") our absolute habitat, ASPAC Rural Bank, Inc, in consistent with the initiatives of the Philippine Government as

well as its supervising institution, The Bangko Sentral ng Pilipinas (BSP) has endeavored to effectively implement among others the following:

7.1 Observe with due diligence the Sustainable Finance Framework of the BSP. This will mitigate if not totally eliminates the effect of global warming;

7.2 Digital Transformation which is currently in its process for completion in our institution. This will address cashless transactions which is effective for sustaining financial services during critical scenarios where face to face contact is not feasible, like during the covid-19 pandemic. It will also promote energy conservation as well as protecting natural resources where transportation using fossil fuel shall be definitely no longer needed, likewise paper less transaction to support “Save the Mother Earth” shall also be an important milestone for these significant changes of the services offered/engaged by the financial players in the country side;

Digital transformation can play a crucial role in addressing global warming through various innovative approaches:

- **Smart Energy Management:** Technologies like AI and IoT enable more efficient energy use, reducing waste and optimizing renewable energy integration.
- **Efficient Resource Utilization:** Big data analytics can streamline processes across industries, minimizing environmental impact.
- 

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(This article belongs to the Section [Environmental Sustainability and Applications](#))

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**Abstract**

Digital transformation, powered by technologies like AI, IoT, and big data, is reshaping industries and societies at an unprecedented pace. While these innovations promise smarter energy management, precision agriculture, and efficient resource utilization, they also introduce serious environmental challenges. This paper examines the dual impact of digital technologies, highlighting key threats such as rising energy consumption, growing e-waste, and the increased extraction of raw materials. By synthesizing the existing literature, this study highlights mitigation strategies that include adopting energy-efficient practices, integrating renewable energy, and implementing circular economy principles. It emphasizes the need for a balanced approach—making the most of technological advances while protecting the environment. By identifying gaps in the current research, this paper also suggests future areas to explore to ensure that digital progress does not come at the expense of our planet. This review advocates for an integrated strategy to achieve sustainable digital growth aligned with global climate goals.

**Keywords:** [digital transformation](#); [sustainability](#); [circular economy](#); [e-waste](#); [energy consumption](#)

**B. HIGHLIGHT OF MAJOR ACTIVITIES DURING THE YEAR THAT IMPACT OPERATIONS.**

1. The Bank relocated its Toledo Branch to another site in Sangi, Toledo City, near the Sangi Elementary School. On January 10, 2024, the said branch commenced operations in its newly owned building, marking a significant milestone in the Bank’s growth strategy. This relocation is expected to strengthen the Bank’s market presence and allow it to better serve the local community. We look forward to becoming an integral part of the area and delivering improved banking services.
2. On January 31, 2024, the Board approved Resolution No. 01A-03, Series of 2024, adopting the Bank’s Data Privacy Policy, which includes the



establishment of appropriate procedures and controls to protect sensitive information. This initiative supports the Bank’s overall digital transformation strategy.

3. On February 28, 2024, through Resolution No. 02B-02, Series of 2024, the Board authorized the former Bank President, Atty. Augusto W. Go, to negotiate and enter into a contract for the purchase of a lot for the Consolacion Branch. Upon completion and relocation to the new building, the Bank will cease renting premises for the branch. This strategic move demonstrates the Bank’s continued growth, anchored in its commitment to sustainability and operational efficiency.

4. On June 19, 2024, the Board approved Resolution No. 06A-02, Series of 2024, adopting the Bank’s Recovery Plan, in compliance with the requirements of the Bangko Sentral ng Pilipinas (BSP). The plan was submitted ahead of the BSP deadline of June 30, 2024.

5. During the Board meeting on August 29, 2024, the Board directed the Chief Operating Officer (COO) and the Chief Accountant to confer with the Bank’s external auditors regarding the proper accounting treatment and recording of the Bank’s claim against Export and Industry Bank, and the proceeds received from PDIC amounting to ₱17,963,367.62.

6. On October 29, 2024, the Board approved Resolution No. 10B-02, Series of 2024, authorizing the Bank to secure the services of PJ Lhuillier, Inc. and to enter into a service agreement to facilitate the Bank’s operational needs.

7. On November 26, 2024, the Board passed Resolution No. 11E-03, Series of 2024, approving the engagement of Traxtion Tech, Inc. to integrate RBPAY Mobile and Web Application and related digital banking services into the Bank’s operations, further advancing its digitalization goals.

8. On December 27, 2024, the Board approved Resolution No. 12A-02, Series of 2024, authorizing the Bank to enter into a collaboration with the Philippine Statistics Authority (PSA). This partnership aligns with the Bank’s strategic objective to streamline its service portfolio and comply with the BSP’s directive for digital transformation through innovative business engagements.

**C. CHALLENGES, OPPORTUNITIES, AND RESPONSES DURING THE YEAR.**

In implementing the policies and initiatives for the year, the Bank encountered various challenges and opportunities that shaped its strategic responses and operational adjustments. These are detailed below:

**a. Challenges**

**Post-Pandemic Health and Economic Impacts**

While not directly affecting banking operations, the lingering effects of the COVID-19 pandemic still presented external challenges to overall economic recovery.

- Equitable access to vaccines remained an issue in low-income areas.
- Vaccine hesitancy and misinformation undermined public health efforts.
- New COVID-19 variants required continued vigilance and adaptability in public health policy.
- Health systems globally faced backlogs in non-COVID services, while the mental health toll on healthcare workers persisted.
- The pandemic widened socio-economic disparities, with vulnerable populations disproportionately affected.
- Pandemic fatigue contributed to declining adherence to public health measures.

These factors created a macroeconomic environment of uncertainty,

impacting both businesses and consumers, and in turn affecting the banking sector.

### **Data Privacy and Cybersecurity Threats**

As the Bank pursues digital transformation, it faces increasing cybersecurity threats and data privacy concerns.

- Cyber risks such as ransomware and phishing have become more sophisticated.
- Balancing the use of AI and big data analytics with privacy protection presents compliance challenges.
- Ensuring data privacy in third-party collaborations and managing cross-border data flows is increasingly complex.
- Significant investments are required to implement effective privacy policies, management tools, regular audits, and staff training.
- A culture of data protection and awareness must be fostered across the organization to ensure regulatory compliance and customer trust.

### **Challenges in Updating the Recovery Plan**

The update and maintenance of the Bank's Recovery Plan required addressing multiple layers of complexity:

- **Evolving Threat Landscape:** The need to continuously monitor new cyber and natural disaster risks.
- **Technological Changes:** Keeping up with new tools while ensuring compatibility with legacy systems.
- **Resource Allocation:** Balancing limited resources amid competing operational priorities.
- **Regulatory Compliance:** Adapting plans to keep pace with changing regulatory requirements.
- **Testing and Validation:** Conducting frequent plan simulations is crucial but can be resource-intensive.
- **Communication and Training:** Ensuring organization-wide understanding and readiness for recovery protocols.

### **Digital Services Integration**

Collaborating with outsourced digital service providers, especially for the integration of digital financial platforms into the Bank's core system, presented the following key challenges:

- **Data Security and Privacy:** Ensuring full compliance with regulatory requirements by third-party providers.
- **Integration and Compatibility:** Aligning external systems with internal architecture to achieve seamless operations.
- **Quality Control:** Maintaining consistent service standards across platforms and providers.
- **Communication and Coordination:** Bridging differences in communication styles, time zones, and working cultures.
- **Regulatory Compliance:** Verifying that third-party services meet banking regulatory standards.
- **Cost Management:** Managing the financial impact of outsourcing while avoiding hidden or escalating costs.
- **Risk Management:** Addressing risks from dependency on external partners and potential disruptions in service.

b. Opportunities;

Despite the persistent challenges brought about by the COVID-19 pandemic and other global disruptions, the year 2024 also presents a range of opportunities for both businesses and institutions like this Bank. Key areas of growth and strategic advantage include:

### **Digital Transformation**

The continued acceleration of digital transformation remains a critical area of opportunity. Organizations that leverage emerging technologies—such as artificial intelligence, cloud computing, and cybersecurity—can improve operational efficiency, enhance customer experience, and drive innovation.

### **Remote Work and Hybrid Work Models**

The shift toward remote and hybrid work arrangements has expanded access to a global talent pool and fostered operational flexibility. Businesses that invest in remote collaboration platforms, virtual management systems, and workforce productivity tools stand to gain long-term efficiency and employee satisfaction.

### **Healthcare and Biotechnology Innovation**

The pandemic has underscored the strategic value of the healthcare and biotech sectors. Advancements in telemedicine, diagnostics, vaccine development, and personalized healthcare are expected to fuel growth and open new avenues for investment and collaboration.

### **Sustainability and Green Initiatives**

There is increasing global momentum toward environmental sustainability. Institutions that prioritize renewable energy, sustainable supply chains, and eco-conscious practices will not only align with regulatory expectations but also meet the evolving preferences of environmentally aware consumers.

### **E-commerce and Digital Marketing**

The continued rise of e-commerce offers businesses—including this Bank—opportunities to expand their digital footprint. By optimizing digital marketing strategies, enhancing online engagement, and using data analytics to personalize customer experiences, organizations can achieve significant growth.

### **Resilient and Adaptive Supply Chains**

Strengthening supply chain resilience has become a priority across sectors. Diversifying supplier bases, investing in local production capabilities, and adopting advanced logistics technologies can help mitigate disruptions and improve overall supply chain agility and performance.

### **Financial Services and Fintech Expansion**

The fintech industry is rapidly evolving, with strong prospects in digital banking, online payment platforms, and blockchain-based solutions. The Bank stands to benefit from these innovations as it prepares to launch its own digital banking services, thereby increasing financial inclusion and improving service delivery to customers.

Navigating these opportunities requires a deliberate and forward-looking strategy—one that emphasizes continuous innovation, prudent investment in technology, sustainability, and institutional resilience.

### **Updating the Recovery Plan**

Regularly updating your recovery plan offers numerous opportunities to strengthen organizational resilience and crisis readiness. The key benefits include:

- **Improved Risk Management**

Frequent reviews help ensure the recovery plan reflects current threats and vulnerabilities, enabling more effective risk mitigation strategies.

- **Enhanced Compliance**

Staying aligned with evolving regulatory frameworks minimizes legal and reputational risks, ensuring that institutional responses remain compliant and accountable.

- **Optimized Resource Allocation**

Periodic assessments support more strategic allocation of resources, ensuring critical functions and services receive the attention they require.

- **Increased Operational Efficiency**

Streamlined processes and clear protocols within an updated recovery plan facilitate faster response and smoother coordination during emergencies.

- **Strengthened Stakeholder Confidence**

A proactive and well-documented disaster recovery strategy can inspire trust among stakeholders, including customers, regulators, partners, and investors.

- **Adaptation to Technological Advances**

Incorporating emerging technologies enhances the agility and capability of recovery efforts, enabling the organization to respond more effectively to modern challenges.

- **Better Preparedness for Emerging Threats**

An updated plan ensures readiness for evolving risks such as cyberattacks, climate-related events, and geopolitical disruptions.

Realizing these opportunities requires establishing a regular review schedule, engaging key departments and stakeholders, and committing resources toward continuous improvement.

## **Embracing Digital Financial Services**

Engagement with digital financial services continues to open transformative possibilities for both institutions and their clients. Key areas of opportunity include:

- **Enhanced Customer Experience**

Digital interfaces, AI-powered tools, and virtual assistance offer clients a seamless, personalized, and accessible banking experience.

- **Broader Financial Inclusion**

Digital innovations reduce costs and remove traditional barriers, making financial services more accessible to underserved populations and rural communities.

- **Operational Efficiency and Cost Savings**

Automation and digital processing streamline workflows, reduce errors, and free up resources for higher-value activities.



- **Data-Driven Insights**

Analytics and machine learning transform data into actionable intelligence, enabling informed decision-making and targeted service enhancements.

- **Advanced Security and Fraud Prevention**

Technologies such as biometric authentication, blockchain, and AI-powered monitoring systems significantly improve transaction security and reduce fraud risks.

- **Competitive Advantage Through Innovation**

A commitment to digital transformation helps financial institutions remain competitive, attract new clients, and retain existing ones with modernized offerings.

- **Real-Time Transactions**

Faster digital infrastructure enables real-time payments and transfers, improving customer satisfaction and operational agility.

Capitalizing on these opportunities requires sustained investment in digital infrastructure, a culture of innovation, and an adaptive approach to emerging market trends.

**Claiming Insurance for Written-Off Assets**

Claiming insurance for depreciated or written-off assets can unlock several financial and operational advantages:

- **Improved Liquidity**

Insurance reimbursements can offer a critical financial lifeline, replenishing lost funds and supporting business continuity.

- **Asset Replacement and Modernization**

Insurance proceeds can fund the acquisition of updated and more efficient equipment, boosting productivity and reducing long-term costs.

- **Demonstration of Risk Management Competence**

Successfully claiming insurance signals strong governance and preparedness, reinforcing the institution’s credibility with stakeholders.

- **Minimized Disruption and Operational Continuity**

Timely claims enable quicker recovery from asset loss, minimizing operational downtime and ensuring service delivery remains uninterrupted.

- **Reinvestment in Innovation**

Recovered funds can be strategically reinvested in new technologies or business expansion initiatives, driving future growth.

To fully leverage these opportunities, organizations must maintain up-to-date insurance documentation, conduct periodic asset evaluations, and integrate insurance planning into broader risk management frameworks.

Top of Form

Bottom of Form

c. Responses

## **Relocation of Branch to Our Owned Building in Toledo**

We are pleased to announce that our Toledo Branch has successfully relocated to our newly constructed office building located in Sangi, Toledo City, near Sangi Elementary School. This milestone reflects our commitment to strengthening our presence and delivering improved services to our clients in the area. The new facility is designed to provide a more efficient, secure, and customer-friendly environment. It marks a significant step in our institutional growth and affirms our dedication to contributing meaningfully to the local community. This move is a strategic part of our expansion and will enable us to enhance operational capabilities while supporting the broader goals of the organization.

## **Digital Financial Services Collaboration**

The Board has entered into several partnerships with digital financial service providers to accelerate the Bank's digital transformation. While these initiatives were approved in the latter part of 2024, development is currently underway, particularly in ensuring integration with our Core Banking System, enhancing data security compliance, and addressing system compatibility and regulatory requirements.

We are excited about the upcoming full implementation of these digital solutions, which promise to significantly enhance operational efficiency, customer experience, and financial inclusion. Moving forward, our responses and assessments of this undertaking will be grounded in performance evaluation to ensure that results are both authentic and impactful. Stakeholders can be assured that these digital initiatives will be operational soon, delivering long-term value and innovation.

## **Sustainability Measures in Response to COVID-19**

The Bank remains committed to sustainable recovery efforts in alignment with national policies and global development frameworks. Our key strategies include:

- Designing recovery initiatives that avoid reverting to environmentally harmful practices and instead promote sustainable economic development—commonly referred to as "building back better";
- Supporting government-led climate actions by shifting fiscal priorities toward green investments, ending fossil fuel subsidies, and promoting sustainability in key sectors;
- Aligning with the United Nations Sustainable Development Goals (SDGs) to ensure that recovery efforts are inclusive, equitable, and resilient, leaving no one behind; and
- Strengthening investments in public health infrastructure—such as vaccine programs, healthcare accessibility, and pandemic preparedness—to ensure long-term health resilience.

These efforts reflect our broader commitment to environmental responsibility, public welfare, and sustainable development.

## **Goal-Driven Strategies and Digital Transformation**

The implementation of our digital financial partnerships will be guided by a goal-driven strategy to ensure focus, accountability, and long-term impact. Key response strategies include:

- Adopting the SMART (Specific, Measurable, Achievable, Relevant, Time-bound) framework to set clear, actionable goals aligned with our strategic plan;
- Continuously monitoring progress and adapting our strategies based on evolving business conditions and stakeholder needs;
- Engaging internal and external stakeholders—including employees, clients, and partners—through transparent communication and active collaboration to support strategic alignment; and

- Utilizing data analytics to evaluate performance and inform decision-making, enabling us to refine our approaches and achieve improved outcomes.

These strategic actions will ensure that our digital transformation efforts are sustainable, results-oriented, and aligned with our institutional mission.

### **Insurance Settlement on Lost Assets**

We are pleased to report that the Bank has successfully received a significant insurance settlement for assets lost in connection with the closure of a depository bank. This development presents several key benefits:

- The recovery strengthens our financial position and enhances our operational capacity;
- It demonstrates prudent risk management practices, reinforcing stakeholder trust and organizational credibility;
- The funds will support HR programs and resource replenishment which will drive institutional growth;
- The settlement offers an opportunity to invest in modern technologies, advancing innovation and efficiency; and
- It provides the financial stability necessary to sustain the delivery of high-quality services and pursue long-term strategic objectives.

The foregoing is duly supported by BR No. 05A-06 s.2025 dated May 23, 2025.

## PART III

### 9. Capital Structure and Capital Adequacy for the year 2024 (Pursuant to appendix 63.c MORB)

#### 9.1 CAPITAL STRUCTURE

8.1.1 The Capital structure of the corporation:

Authorized Capital Stock	P 150,000,000.00
Par Value	P 100.00
No of shares issued and outstanding:	
a) Common Shares	1,363,323
b) Preferred Shares	4,200
c) Treasury Shares	( 4,200)
Paid in Capital:	
a) Common Shares	P 136,332,300.00
b) Preferred Shares	420,000.00
c) Treasury Shares	( 420,000.00)
Contributed Surplus Free	P 164,479,899.00
Net Income during the year	<u>34,894,096.00</u>
Total Surplus Free	P 199,373,995.00
Retained Earnings Reserves	13,691,418.00
Cumulative remeasurements on defined benefit Obligation	<u>(7,811,822.00)</u>
Total Capital as of 12.31.24 (Per Audited FS 2024)	<u>P 341,585,831.00</u>

9.1.2 The following are the names of stockholders and their stockholdings as of December 31, 2024:



## CONSOLIDATED LIST OF STOCKHOLDERS AND THEIR STOCKHOLDINGS

For the Year/Quarter Ended

31 December 2024

INDIVIDUAL STOCKHOLDERS <sup>1/</sup>			FAMILY GROUP <sup>2/</sup>	CORPORATE STOCKHOLDERS <sup>3/</sup> (NAME OF INSTITUTION)	CITIZENSHIP <sup>4/</sup>	COMMON SHARES			
NAME OF THE STOCKHOLDER						No. of Shares Subscribed	Par Value per Share	Paid-In Capital	Subscription Receivable
Last Name	Complete First Name	Middle Name				(1)	(2)	(3)	(5) - (3) = (4)
GO	AUGUSTO	WONG	AUGUSTO W. GO GROUP		FILIPINO	1	100.00	100.00	
			AUGUSTO W. GO GROUP	UNIVERSITY OF CEBU	FILIPINO	259,102	100.00	25,910,200.00	
GOTIANUY	YVETTE CANDICE	GAN	AUGUSTO W. GO GROUP		FILIPINO	207,813	100.00	20,781,300.00	
GO	PETER	ONG	PETER O. GO GROUP		FILIPINO	16,862	100.00	1,686,200.00	
GO	PATRICK JAMES	LUDO	PETER O. GO GROUP		FILIPINO	71,346	100.00	7,134,600.00	
GO	MICHAEL RONALD	LUDO	PETER O. GO GROUP		FILIPINO	70,980	100.00	7,098,000.00	
GO	KENNETH GREGORY MARQUEL	LUDO	PETER O. GO GROUP		FILIPINO	70,980	100.00	7,098,000.00	
GO	JONATHAN PETER	LUDO	PETER O. GO GROUP		FILIPINO	70,980	100.00	7,098,000.00	
ONG	FREDERICK JR	BY	ONG FAMILY		FILIPINO	62,504	100.00	6,250,400.00	
ONG	ROSITA	ABELLA	ONG FAMILY		FILIPINO	118,332	100.00	11,833,200.00	
ONG	HARRISON	ABELLA	ONG FAMILY		FILIPINO	118,332	100.00	11,833,200.00	
ONG	FREDERICK III	ABELLA	ONG FAMILY		FILIPINO	118,332	100.00	11,833,200.00	
TAN	CHARMAINE	ONG	ONG FAMILY		FILIPINO	45,980	100.00	4,598,000.00	
LECHIDO	MANOLO	ARAO	LECHIDO FAMILY		FILIPINO	3,419	100.00	341,900.00	
LECHIDO	TERESITA	SUMALING	LECHIDO FAMILY		FILIPINO	3,404	100.00	340,400.00	
LECHIDO	MARVIN	SUMALING	LECHIDO FAMILY		FILIPINO	118	100.00	11,800.00	
LECHIDO	MANNY	SUMALING	LECHIDO FAMILY		FILIPINO	118	100.00	11,800.00	
ESCANO	GEN JOAN	LECHIDO	LECHIDO FAMILY		FILIPINO	118	100.00	11,800.00	
TIONGKO	MIGUEL	CENIZA			FILIPINO	83,849	100.00	8,384,900.00	
TIONGKO	CHRISTIAN MICHAEL	SACRAMA			FILIPINO	1	100.00	100.00	
PEPITO	POTENCIANA	ZOZOBRADO			FILIPINO	21,806	100.00	2,180,600.00	
GO	PHO	YAP			FILIPINO	10,729	100.00	1,072,900.00	
TAN	CHEIRBY	ONG			FILIPINO	4,625	100.00	463,500.00	
CISNEROS	MARICEL	BY			FILIPINO	1,950	100.00	195,000.00	
SUSON	JOSE SR				FILIPINO	741	100.00	74,100.00	
SUSON	JOSE JR				FILIPINO	325	100.00	32,500.00	
KAPUNGAN	DOLORES				FILIPINO	395	100.00	39,500.00	
MASCARINAS	JOSE				FILIPINO	395	100.00	39,500.00	
SUSON	DOLORES				FILIPINO	395	100.00	39,500.00	
EVARDO	EFERENIO SR				FILIPINO	192	100.00	19,200.00	
COMPIRA	PATERNO				FILIPINO	186	100.00	18,600.00	
URDIT	RICARDO				FILIPINO	133	100.00	13,300.00	
ALVINO	ANITA				FILIPINO	121	100.00	12,100.00	
SUSON	BONIFACIO				FILIPINO	118	100.00	11,800.00	
YBANEZ	BEATRIZ				FILIPINO	102	100.00	10,200.00	
LAM	PATRICK BENNY				FILIPINO	97	100.00	9,700.00	
MALAZARTE	ESTEBAN SR				FILIPINO	97	100.00	9,700.00	
OSORIO	FRANCISCO				FILIPINO	97	100.00	9,700.00	
CAPIN	VICENTE				FILIPINO	87	100.00	8,700.00	
KAPUNGAN	LEONARDA				FILIPINO	87	100.00	8,700.00	
MANOLODO	EMELIANA				FILIPINO	87	100.00	8,700.00	
PADILLA	AGUINO				FILIPINO	87	100.00	8,700.00	
QUINAIN	DECOROSO				FILIPINO	87	100.00	8,700.00	
ARSENAL	MELITONA				FILIPINO	59	100.00	5,900.00	
ROOS	ALBERTA				FILIPINO	42	100.00	4,200.00	
SENTILLAS	WILFREDO				FILIPINO	40	100.00	4,000.00	
GONZAGA	PROCULO				FILIPINO	39	100.00	3,900.00	

Individual Stockholder	HORTELANO	CAMELO				FILIPINO	39	100.00	3,900.00
Individual Stockholder	MALAZARTE	JESUS				FILIPINO	39	100.00	3,900.00
Individual Stockholder	PEQUE	JUAN				FILIPINO	55	100.00	5,500.00

Individual Stockholder	PEREZ	LUYVIMINDO				FILIPINO	39	100.00	3,900.00
Individual Stockholder	SANDIEGO	URBANA via DE				FILIPINO	39	100.00	3,900.00
Individual Stockholder	SUMALINGOG	LORNA				FILIPINO	39	100.00	3,900.00
Individual Stockholder	VALMORIA	HENRY				FILIPINO	39	100.00	3,900.00
Individual Stockholder	SENTILLAS	NAPOLEON				FILIPINO	22	100.00	2,200.00
Individual Stockholder	GUTIERREZ-LUNA	CORAZON				FILIPINO	21	100.00	2,100.00
Individual Stockholder	ALVIO	CARLOS				FILIPINO	21	100.00	2,100.00
Individual Stockholder	MONTELLANO	QUINTIN				FILIPINO	21	100.00	2,100.00
Individual Stockholder	CANON	PABLO				FILIPINO	24	100.00	2,400.00
Individual Stockholder	BRIONES	AMPARO				FILIPINO	39	100.00	1,900.00
Individual Stockholder	UROT	JOSEFINA				FILIPINO	15	100.00	1,500.00
Individual Stockholder	CALOMARDE	PEORO				FILIPINO	10	100.00	1,000.00
Individual Stockholder	CUYOS	REGULO				FILIPINO	10	100.00	1,000.00
Individual Stockholder	ORNOPA	MARLYN				FILIPINO	10	100.00	1,000.00
Individual Stockholder	BARON	ERUBETHA				FILIPINO	9	100.00	900.00
Individual Stockholder	BARON	ELISEO				FILIPINO	9	100.00	900.00
Individual Stockholder	CARILAN	ROBERTO				FILIPINO	9	100.00	900.00
Individual Stockholder	COMENDADOR	CONCORDIA				FILIPINO	7	100.00	700.00
Individual Stockholder	ALVIO	CARLSON				FILIPINO	4	100.00	400.00
Individual Stockholder	BIORE	EMILIO				FILIPINO	16	100.00	1,600.00
Individual Stockholder	ALVIO	CLAUDIO				FILIPINO	3	100.00	300.00
Individual Stockholder	ALVIO	FELICIANO				FILIPINO	3	100.00	300.00
Individual Stockholder	ALVIO	JOSEPH DWIGHT				FILIPINO	3	100.00	300.00
Individual Stockholder	ALVIO	LAURENCO				FILIPINO	3	100.00	300.00
Individual Stockholder	ALVIO	OPHELIA				FILIPINO	3	100.00	300.00
Individual Stockholder	BONTIA	ROSALINA				FILIPINO	3	100.00	300.00
Individual Stockholder	CORTES	NICASSO				FILIPINO	3	100.00	300.00
Individual Stockholder	EVANDO	CECILIA				FILIPINO	3	100.00	300.00
Individual Stockholder	EVANDO	ERGENIO JR				FILIPINO	3	100.00	300.00
Individual Stockholder	GUINDOR	LEONORITO				FILIPINO	3	100.00	300.00
Individual Stockholder	LUNA	LUCIA				FILIPINO	3	100.00	300.00
Individual Stockholder	LUNA	ANDRES				FILIPINO	3	100.00	300.00
Individual Stockholder	MALAZARTE	LUZVIMINDA				FILIPINO	3	100.00	300.00
Individual Stockholder	MAYOL	GREGORIA				FILIPINO	3	100.00	300.00
Individual Stockholder	NEIS	PATRIA				FILIPINO	3	100.00	300.00
Individual Stockholder	PINTOR	NONITA				FILIPINO	3	100.00	300.00
Individual Stockholder	PODOT	NECOLASA				FILIPINO	3	100.00	300.00
Individual Stockholder	REYES	SHIRLEY				FILIPINO	3	100.00	300.00
Individual Stockholder	SARSALJO	DARIA				FILIPINO	3	100.00	300.00
Individual Stockholder	SECURA	TOMAROTTO				FILIPINO	3	100.00	300.00
Individual Stockholder	TEJERO	MARIA				FILIPINO	3	100.00	300.00
Individual Stockholder	TEJERO	QUILANO				FILIPINO	3	100.00	300.00
Individual Stockholder	YBANEZ	RICARDO				FILIPINO	3	100.00	300.00
Individual Stockholder	ALMENDRAS	RUBEN	ORMATAGA			FILIPINO	1	100.00	100.00
Individual Stockholder	ARDA	EUFROCISA/EUFEMIA				FILIPINO	1	100.00	100.00
Individual Stockholder	COXITES	GERONIMO				FILIPINO	1	100.00	100.00
Individual Stockholder	CORTES	ISABELITA				FILIPINO	1	100.00	100.00

DECTNA	SPORMANA/ERFANIO				FILIPINO	1	100.00	100.00		0.00%									
EVARDO	CATHERINE				FILIPINO	1	100.00	100.00		0.00%									
EVARDO	DELLA				FILIPINO	1	100.00	100.00		0.00%									
EVARDO	EDUARDA				FILIPINO	1	100.00	100.00		0.00%									
EVARDO	JOSE DENNIS				FILIPINO	1	100.00	100.00		0.00%									
EVARDO	RONALD				FILIPINO	1	100.00	100.00		0.00%									
JEFFS	ANSELMO				FILIPINO	1	100.00	100.00		0.00%									
JEFFS	MARGARITA				FILIPINO	1	100.00	100.00		0.00%									
LIBRERO	HEIDI				FILIPINO	1	100.00	100.00		0.00%									
ORIANO	DELLA				FILIPINO	1	100.00	100.00		0.00%									
MANOLO LOYO	MARGARETTE				FILIPINO	1	100.00	100.00		0.00%									
ORNOPIA	ANACONITA				FILIPINO	1	100.00	100.00		0.00%									
ONG	ALEX			RELIAMINO	FILIPINO	1	100.00	100.00		0.00%									
PANDIA	ELIZABETTE				FILIPINO	1	100.00	100.00		0.00%									
PASCULAN	CHRISTITA				FILIPINO	1	100.00	100.00		0.00%									
PASCULAN	EDDIE				FILIPINO	1	100.00	100.00		0.00%									
PASCULAN	DELICIA				FILIPINO	1	100.00	100.00		0.00%									
REYRA	ANTONIO				FILIPINO	1	100.00	100.00		0.00%									
RIVERA	WENCKLAD				FILIPINO	1	100.00	100.00		0.00%									
SECUTA	CERILANIS				FILIPINO	1	100.00	100.00		0.00%									
SISON	FRANCIS				FILIPINO	1	100.00	100.00		0.00%									
SISON	STANLEY				FILIPINO	1	100.00	100.00		0.00%									
SISON	TERESITA				FILIPINO	1	100.00	100.00		0.00%									
UBOT	AVILINO				FILIPINO	1	100.00	100.00		0.00%									
UBOT	FLANNA				FILIPINO	1	100.00	100.00		0.00%									
UBOT	PAULINO				FILIPINO	1	100.00	100.00		0.00%									
VILLANUEVA	JOSE LEVI			SOCO	FILIPINO	1	100.00	100.00		0.00%									

VILLACAMPA	WILHELMINA				FILIPINO	1	100.00	100.00		0.00%									
YRANEZ	ACHRYNHEL				FILIPINO	1	100.00	100.00		0.00%									
YRANEZ	CHEERINO LUIS				FILIPINO	1	100.00	100.00		0.00%									
YRANEZ	DARWIN				FILIPINO	1	100.00	100.00		0.00%									
YRANEZ	RODRIGUEZ				FILIPINO	1	100.00	100.00		0.00%									
YRANEZ-SOON	JUDITH				FILIPINO	1	100.00	100.00		0.00%									
TOTAL						6	1,363,323	1,363,323		100.00%									

Verify the name of the individual stockholders. The Corporate Stockholders column should not be filled out.

Verify the family group or related interest where the individual and/or corporate stockholder belongs.

Verify the Corporate Stockholders. In case of publicly listed banks, please use separate sheet to identify the ultimate beneficial owner of shares held in the name of Philippine Central Depository (PCD) Nominee Corporation. The Individual Stockholders column should not be filled out.

Verify the citizenship of the individual stockholders or the holder of the proxy voting rights of a corporation.

JOSE LEVI VILLANUEVA  
SIGNATURE OVER PRINTED NAME OF AUTHORIZED OFFICER

## CAPITAL ADEQUACY RATIO PER AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

## 23.2 Capital Risk Management Objectives and Policies

The primary objective of the Bank's capital management is to ensure that it complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder's value.

The Bank manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Bank may adjust the amount of dividend payment to shareholders, return capital, or issue share capital. No changes were made in the objectives, policies and processes from the previous years.

The Bank's regulatory capital as monitored by management is divided into two tiers:

- Tier 1 (core) capital – share capital (net of any book value of the treasury shares), retained earnings less unsecured DOSRI accounts and deferred income tax;
- Tier 2 (supplementary) capital – redeemable preferred stocks, general loan loss provision and deposits for common stocks subscriptions.

The following table shows the required regulatory capital analysis in 2024 and 2023:

	2024	2023 (Revised)
Tier 1 capital	P311,013,755	P281,171,621
Tier 2 capital	9,060,336	6,927,241
<b>Total qualifying capital</b>	<b>P320,074,091</b>	<b>P288,098,862</b>
<b>Risk-weighted assets</b>	<b>P1,689,351,388</b>	<b>P1,431,004,146</b>
<b>Common equity tier 1 (CET1) capital</b>	<b>P349,817,713</b>	<b>P314,923,617</b>
<b>Common equity tier 1 (CET1) capital ratio</b>	<b>20.71%</b>	<b>22.01%</b>
<b>Tier 1 capital ratio</b>	<b>18.41%</b>	<b>19.65%*</b>
<b>Total capital ratio</b>	<b>18.95%</b>	<b>20.13%</b>

\*Revised based on the comments of BSP on the 2023 Annual Report of the Bank

Regulatory capital consists of Tier 1 capital and Total qualifying capital which comprises the following:

	2024	2023
Share capital	P136,752,300	P136,752,300
Retained earnings reserve	13,691,418	13,691,418
Retained earnings	199,373,995	164,479,899
CET1 capital	349,817,713	314,923,617
Net deductions	(38,803,958)	(33,751,996)
Tier 1 capital	311,013,755	281,171,621
Tier 2 capital:		
General loan loss provision	9,060,336	6,927,241
<b>Total qualifying capital</b>	<b>P320,074,091</b>	<b>P288,098,862</b>

The composition of the risk-weighted assets follows:

	2024	2023
Credit risk-weighted assets	P1,528,936,270	P1,296,096,048
Operational risk-weighted assets	160,415,118	134,908,098
	<b>P1,689,351,388</b>	<b>P1,431,004,146</b>

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) as reported to the BSP, which is determined on the basis of regulatory accounting policy which differs from PFRS in some aspects.

Under existing banking regulations, the combined capital accounts of each bank should not be less than an amount equal to 10% of its risk assets. Risk weighted assets are defined as total assets less cash on hand, due from BSP, loans covered by hold-out on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits and other non-risk items determined by the Monetary Board of the BSP.